

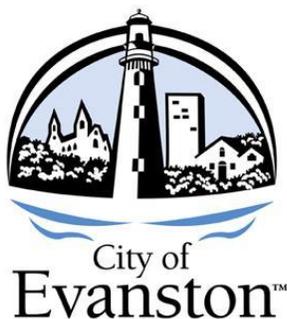
City of Evanston 2022 Action Plan



Updated With 2022 Grant Amounts

Approved by City Council July 11, 2022

Submitted to HUD for approval on July 15, 2022



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Evanston's 2022 Action Plan implements the third year of the City's 2020-2024 Consolidated Plan using CDBG, HOME and ESG funds. Three federal statutory goals to improve living conditions for primarily low- and moderate-income residents are addressed:

- Provide decent housing
- Provide a suitable living environment
- Expand economic opportunities

The City developed its draft Action Plan based on estimated grant amounts and followed its Citizen Participation Plan (CPP) for the 30-day public comment period prior to January 1, 2022 to fulfill the requirements to be able to charge pre-award costs to our federal grants.

The 2022 Action Plan was updated to include actual grant amounts (\$1,695,926 in CDBG, \$388,724 in HOME and \$154,945 in ESG) released on May 13, 2022. The updated Action Plan using actual CDBG, HOME and ESG awards does not constitute a substantial amendment because no goal was increased or decreased by more than 20%, so a second public comment period was not needed. While the CDBG award amount was lower than expected by \$147,335, CDBG program income came in much higher than projected rendering the total difference of the award and program income non-substantial. The HOME award saw an increase of \$30,081 and HOME program income was slightly higher than estimated, and the ESG grant award reduction of \$1,661 from the estimated amount was non-substantial.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Affordable Housing: Maintaining and increasing the supply of affordable rental units is one of the City's highest priorities, but is increasingly difficult due to reductions in funding and increases in the cost of real property. COVID-19 has heightened the need for affordable housing, as it has particularly impacted lower-income residents. Code enforcement in the CDBG Target Area remains an important tool to maintain decent, safe housing and address blight. Properties cited for violations are referred to the

Housing Rehab program for assistance; the City continues to pursue demolition of vacant and blighted properties.

Homelessness: Developing and improving housing for homeless and housing insecure individuals and families is a critical need in and part of the City's recovery plan. With ARPA and other federal funding, the City has a unique opportunity to potentially expand non-congregate shelter. To achieve maximum impact, any ARPA funding should be used to leverage other sources including Low Income Housing Tax Credit and any Moving Forward and Build Back Better bills currently being considered by Congress. Using Entitlement funds, the City will continue to use HOME funding for its Tenant-Based Rental Assistance (TBRA) program. In combination with education, job training and other support, TBRA enables parents to develop self-sufficiency skills, lifting two generations out of poverty. ESG funds continue to be used to help households who are homeless or at high risk of homelessness.

Creating livable communities: The City uses funding to improve public infrastructure and facilities to revitalize neighborhoods and improve service delivery. ARPA funding to achieve inclusive and equitable recovery from the coronavirus will be focused on some of the same geographic areas as CDBG funding. In addition, Public Facilities Improvements of nonprofits' facilities that are traditionally funded with CDBG may be moved to ARPA funding, which is not subject to compliance with Davis-Bacon and Related Acts.

Economic Development: The City uses resources from its Economic Development Fund and Tax Increment Financing to expand economic development opportunities to small businesses. CDBG grants and loans to for-profit businesses using CDBG funding allocated in prior years will continue to be evaluated throughout the year in order to maximize effectiveness of use of all resources to support economic development in the City. Additional programs may be developed with CDBG-CV and ARPA funds in 2022 to help businesses prevent, prepare for, and respond to coronavirus. 2022 CDBG entitlement has not been allocated for Economic Development activities at this time because prior year CDBG funding remains available for these needs. Additionally, a new Conservation Area TIF has been approved by City Council that includes several commercial corridors and Evanston's historically red-lined neighborhoods to expand resources for these historically underinvested parts of Evanston. This TIF will provide an additional source of funding for construction of new affordable housing and rehab of existing housing, and will expand resources to address livable communities, economic development, and housing goals.

Public Services: The pandemic has increased the need for a variety of social services eligible for CDBG Entitlement, CARES Act, and ARPA funding when provided to low- and moderate-income populations and those experiencing economic harm from the pandemic. The City changed its allocation process to incorporate an equity lens and focus resources on populations historically harmed by institutional and systemic racism. Funds will be used to support and expand case management programs, safety net programs and support services. Eligible services include, but are not limited to: mental health services, food assistance, counseling and legal aid, child care, and job training.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Through the CARES Act, Evanston received CDBG-CV funds totaling \$1,586,730 and ESG-CV funds totaling \$966,314. Funds were used to prevent, prepare for and respond to the coronavirus. Evanston submitted three substantial amendments to the PY2019 Action Plan to include these allocations and to add a new goal, COVID-19 Emergency/Urgent Needs to assist residents and businesses impacted by COVID-19. Use of funds include a micro-enterprise assistance program for Evanston low/moderate income businesses, a job creation business grant program, a child care assistance program to provide childcare for up to 6 months for low/moderate income households not eligible for other subsidies and experiencing job loss due to COVID-19, funding to provide non congregate shelter to residents experiencing homelessness and to rapidly re-house those households, funding for a youth violence reduction summer program, and funding for rent, mortgage, and food assistance efforts.

Evanston uses funding to address needs and leverage outside resources to achieve goals. In 2021, the construction of a 60-unit affordable senior housing development by Evergreen Real Estate Group/Council for Jewish Elderly at 1015 Howard Street project was completed using HOME and local Affordable Housing Funds. City funding comprised 8.5% of the total development budget of \$23,433,025; the largest number of new housing units for households \leq 60% AMI since the completion of the 75-unit Jacob Blake Manor in 1997. By leveraging other funding sources, the City's investment per unit in this new development did not exceed \$33,333. The units will remain affordable for a minimum of 30 years. The project adds affordable housing units for very low and low income seniors with 12 units restricted for households \leq 30% AMI, 18 at 50% AMI and 30 at \leq 60% AMI; additionally 100% of units are adaptable in compliance with Fair Housing requirements.

The Housing Rehabilitation program, which experienced delays due to COVID-19 in 2020 and 2021 continues to use zero interest deferred loans to help homeowners unable to qualify for market rate financing to maintain decent, sanitary housing. Due to the retirement of the Rehab Specialist and the opportunity to more effectively leverage external funding, Community Partners for Affordable Housing took over construction management in 2021. However, many housing rehab projects continued to be delayed or halted due to COVID-19. A 2-flat that had exterior rehab work done in 2020 was reopened to complete interior rehab needed to repair water damage due to the leaking roof. Work was begun on a second 2-flat in 2021; this project will be completed in 2022. Additionally, an income-qualified owner-occupied property was withdrawn by the owner and didn't move forward. Although COVID-19 has impacted this program significantly, five projects have been approved to date in 2022 and are moving forward and additional applications are under review. These projects, combined with the projects that were underway in 2021, are expected to be completed and reported as accomplishments in 2022. We anticipate increasing the number of rehabs completed in 2023 and 2024 to achieve our ConPlan goals.

Evanston continues to focus funding on larger, more impactful projects and programs. Evanston agencies are challenged to meet the increasing demand for services and maintain organizational stability given increased demand for services as a result of the pandemic. The City is working closely and collaboratively with agencies to understand needs and provide targeted support. The City continued to fund Connections for the Homeless and the YWCA Evanston-North Shore with ESG to address the needs of individuals and families who are homeless or at high risk of homelessness. ESG-CV funds have been allocated primarily to rehouse homeless individuals and families in non-congregate shelters to protect them from COVID-19.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

During the COVID-19 pandemic, Evanston City Council meetings were modified based on Governor Pritzker's order that waived some requirements of the Illinois Open Meetings Act to allow local governments and other public bodies to hold "remote" meetings to help control the spread of COVID-19. In 2021, remote meetings continued in accordance with requirements defined by the Illinois General Assembly. Residents are able to participate in live public comments during virtual meetings and are able to sign up to provide comments via an online form (written) or by phone or video conference (via Zoom). Virtual meetings will be held during a nationally declared disaster or locally declared disaster as defined by local health officials. In person meetings will resume after it is declared by local health officials that special measures to mitigate damage caused by the disaster are no longer needed. The CPP has also been amended to include the new committee structure charged with reviewing and allocating federal funds. Three bodies, the Housing & Community Development Act Committee, the Housing & Homelessness Commission, and the Mental Health Board, have been realigned into the Housing and Community Development Committee (HCDC) and the Social Services Committee (SSC). Under this new structure, the HCDC is responsible for federal entitlement and local funding for projects and programs that relate to the physical environment and economic development, and SSC is responsible for federal entitlement and local funding for programs and services that provide needed support for underserved populations.

The City of Evanston invites public participation at all stages of the Consolidated Planning process and is committed to making reasonable and timely access to the needs assessment, strategy development and budget recommendation process, particularly for low- and moderate-income persons. The draft Action Plan based on estimated grant amounts and Amended Citizen participation Plan were posted on the City's website on November 15, 2021 for the 30-day public comment period; the Housing & Community Development Committee sought input at a publicly accessible Zoom meeting on December 14, 2021 and in written form during the 30-day comment period. No comment was received. City Council meetings, at which action to adopt or approve the plans is decided, also offer opportunity for public comment. The Action Plan with updated grant amounts will be presented to City Council for approval in July 2022, public comments will be included.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

One public comment was received via email on November 17, 2021, requesting that the Citizen Participation Plan be called a “Public Participation Plan” or “Community Participation Plan”, as a revised title would encourage people to participate regardless of citizenship status.

6. Summary of comments or views not accepted and the reasons for not accepting them

One public comment was received via email on November 17, 2021, requesting that the Citizen Participation Plan be called a “Public Participation Plan” or “Community Participation Plan”, as a revised title would encourage people to participate regardless of citizenship status. This comment cannot be accepted as it is not within the City’s purview to change the title of the Citizen Participation Plan. The Action Plan will be reviewed by the Housing and Community Development Committee and City Council; both meetings provide additional opportunity to receive input as both allow for public comment. Any comments received would be included in the Action Plan prior to its submission to HUD.

7. Summary

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	EVANSTON	Community Development
HOME Administrator	EVANSTON	Community Development
ESG Administrator	EVANSTON	Community Development

Table 1 – Responsible Agencies

Narrative (optional)

The City of Evanston's Housing and Grants division, part of the Community Development Department, is the administrator for the Community Development Block Grant, HOME, and Emergency Solutions Grant programs.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of Evanston’s Community Development Department consulted with numerous City departments (Public Works, Health & Human Services, Parks and Recreation, Economic Development), as well as the Housing Authority of Cook County, Alliance to End Homelessness in Suburban Cook County Continuum of Care, for input on needs. Staff also participated in a series of roundtables facilitated by The Evanston Community Foundation to get input from the community about Evanston’s recovery and rebuilding from the COVID pandemic using ARPA and other funding sources. Participants included local and regional nonprofit service providers, housing providers, and community residents to develop the 2022 Action Plan. Data are from consulted organizations, the United States Census Bureau and HUD. Through these ongoing outreach and engagement efforts, the following priorities were identified for the 2022 Action Plan: affordable housing, shelter for people experiencing homelessness, mental health services, child care, job training and workforce development. Focus groups also explored barriers to receiving services including long wait lists, lack of capacity to assume additional participants and lack of financial resources, and ways to use federal and local funds to connect those in need to services. These collaborative initiatives and outreach efforts will continue to inform uses for American Rescue Plan Act (ARPA) funds.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City of Evanston’s Community Development staff regularly coordinates with public and assisted housing providers along with private and governmental health, mental health, and service agencies. Staff has also participated in discussion with Cook County and the Housing Authority of Cook County about their plans for CDBG-CV and ARPA funding for regional needs including a permanent 24/7 non-congregate shelter, affordable housing, legal support for tenants facing eviction due to unpaid rent, and social services.

The Community Development Department regularly attends meetings and other events involving the community and various stakeholders. Staff is aware of any major impacts, such as changes in Cook County and State of Illinois funding that affect vulnerable residents. Engaging with nonprofit service providers on a regular basis fosters an environment where the City works in tandem with the community to achieve better outcomes. Notifications of recent updates and developments are sent to an interested parties email list, including nonprofit service providers, governmental agencies, community residents, and representatives from various City departments.

The City of Evanston’s Health and Human Services Department is developing a new community health improvement plan (EPLAN) based on goals identified through the nationally recognized Bay Area

Regional Health Inequities Initiative, a coalition of Bay Area Health Departments that created a framework laying the groundwork for defining structural drivers of health. The plan will be available toward the end of 2022 and will help define the City's health priorities for the next five years.

The City's application process for 2022 CDBG Public Services and City Human Service Fund funding is modified to focus funding to the priority needs of the community to address the pandemic and encourage collaboration among community partners. Additionally, reporting and monitoring practices are unified to ensure clear programmatic and financial record keeping, compliance, and transparency.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Evanston works with the Alliance to End Homelessness in Suburban Cook County (Alliance), the lead agency for the Suburban Cook County Continuum of Care, to address the needs of homeless persons and persons at risk of homelessness in Evanston. Evanston's Housing and Grants Manager serves on the Finance and Governance Committees of the Alliance. Evanston agencies have staff who are Alliance members including Connections for the Homeless and the YWCA Evanston-North Shore; these representatives participate on the board of directors, HMIS, Coordinated Entry, Prevention and other standing committees. The City of Evanston works closely with service providers, including the YWCA Evanston-Northshore and Connections for the Homeless, in order to address the needs of chronically homeless individuals and families, families with children, veterans, and unaccompanied youth.

Due to health and safety concerns related to COVID-19, HUD granted suburban Cook County an exception to conducting any unsheltered Point in Time Count in 2021. Connections and other agencies serving the homeless continue to use the Vulnerability Index (VI-SPDAT) to ensure that chronically homeless individuals and families are part of the Alliance ranking based on vulnerability, so that they have access to permanent supportive housing, rapid re-housing and other interventions. City staff is participating in the Coordinated Entry System process with the Alliance and members of the Continuum. Goals for 2022 include the continued use of the Housing Match and By Name Referrals list managed by the Alliance and developed to prioritize families for housing assistance, and to more successfully provide short term stability case management and shelter diversion services. The Alliance continued matching households eligible for Prevention and Rapid Re-Housing using HMIS and evaluation of the collective impact approach to assisting those in most need.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Evanston recognizes that the demand is greater than available resources to provide essential services, emergency shelter, prevention and re-housing that meet all needs. The City and Alliance agree that individuals and households must be prioritized to ensure that the limited resources available are allocated in the most efficient and appropriate manner. The City of Evanston and the Alliance continue to work on policies and procedures to assess, prioritize and reassess individuals' and families' needs for all ESG-funded services, including essential services for those in emergency shelter, rapid re-housing, and homeless prevention activities. Use of HMIS is critical to this process and the City dedicated ESG-CV funding to support the management of HMIS. InfoNet, the system used by organizations supporting households affected by domestic violence, is integrated with Sage to report 2022 outcomes.

The City of Evanston continues to work with the Alliance and agencies that serve the homeless and people at risk of homelessness, as well as other advocacy organizations. Connections for the Homeless, the primary recipient of City of Evanston ESG funds, participates as a member of the Alliance on many levels. Connections staff serve on the HMIS Committee meeting and the monthly prevention meetings; Rapid Re-Housing recipients are identified through Coordinated Entry . Participation on the Board and committees help to ensure clear communication of goals and priorities and decrease redundancies as they relate to ESG funding.

As discussed previously, the City prioritizes rapid re-housing. Due to high rent costs in Evanston, people housed with rapid re-housing often require a longer subsidy than other parts of the Continuum to become self-sufficient. Connections for the Homeless participated in the HUD survey of Rapid Re-Housing Programs. One of the goals of Coordinated Entry is to explore using rapid re-housing funds as bridge funding for individuals/ households approved for permanent supportive housing or on the waitlist for housing choice vouchers.

Through the Coordinated Entry process, seniors and veterans are target populations until the Continuum has reached functional zero within those populations. City staff that administer the General Assistance program provide support to participants who would otherwise become homeless. The City's Human Services Specialist continues to further coordinate housing, health, mental health, and other social services for low- and moderate-income residents and at-risk residents and works closely with community partners including Connections for the Homeless to address housing needs and link clients to a wide variety of additional supportive services. Services can include, but are not limited to food, child and senior care, substance abuse cessation support, as well as mental and physical health services and services for individuals with developmental, intellectual and physical disabilities.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	HOUSING AUTHORITY OF COOK COUNTY
	Agency/Group/Organization Type	Housing PHA Services - Housing Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and provided data for relevant sections of the 2022 Action Plan.
2	Agency/Group/Organization	MCGAW YMCA
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.
3	Agency/Group/Organization	YWCA EVANSTON/NORTH SHORE
	Agency/Group/Organization Type	Housing Services - Housing Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.
4	Agency/Group/Organization	MEALS AT HOME
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.
5	Agency/Group/Organization	James B. Moran Center for Youth Advocacy
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.
6	Agency/Group/Organization	FAMILY FOCUS
	Agency/Group/Organization Type	Services-Children Services-Education
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.

7	Agency/Group/Organization	CONNECTIONS FOR THE HOMELESS
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Attended planning meetings to develop needs assessment and other related 2022 Action Plan sections.
8	Agency/Group/Organization	ILLINOIS HOUSING DEVELOPMENT AUTHORITY
	Agency/Group/Organization Type	Housing Services - Housing Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted to provide data/input for relevant 2022 Action Plan sections.
9	Agency/Group/Organization	EVANSTON
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Various City departments attended planning meetings to develop needs assessment and provided data for relevant 2022 Action Plan sections. Departments included Community Development, Public Works, Parks, Health, and Economic Development.
10	Agency/Group/Organization	Chicago Metropolitan Agency for Planning (CMAP)
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted to provide data/input for relevant 2022 Action Plan sections.

Identify any Agency Types not consulted and provide rationale for not consulting

All major agencies providing a full range of services in and around the City of Evanston were consulted or contacted to request comments/input.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Alliance to End Homelessness in Suburban Cook County	The Continuum of Care provides the framework and services for many of the activities provided locally to bring assistance and housing to homeless individuals and families.
2020 Annual Comprehensive Housing Plan	Illinois Housing Development Authority	The City of Evanston works with IHDA to ensure continued access to affordable housing for Evanston's low and moderate income residents.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Red and Purple Line Modernization	Chicago Transit Authority	Furthering access to employment opportunities is integral to community development and fostering greater economic growth. The modernization of the Red and Purple Line trains will serve to provide greater accessibility for those with disabilities and the elderly.
On to 2050	Chicago Metropolitan Agency for Planning	CMAP's On to 2050 Plan strives for regional growth in the Chicago area. Evanston is an important component of the Chicago metropolitan region; coordinated growth and development with the region will improve the quality of for Evanston's residents.
EPLAN 2016-2021 Community Health Assessment	City of Evanston	The City's EPLAN began with a five-year strategic planning process to improve the effectiveness and efficiency of the public health system in Evanston. Interventions to improve the health of residents were identified in partnership with public health officials, community leaders, residents, and service providers based on the following four assessments: community themes and strengths, forces of change, local public health system and community health status. The EPLAN provides a strategic five-year health improvement plan.
Evanston Climate Action Plan	City of Evanston	The Evanston Climate Action Plan is organized into nine focus areas and outlines more than 200 strategies for reducing Evanston's greenhouse gas emissions. The nine focus areas are: Transportation & Land Use, Energy Efficiency & Buildings, Renewable Energy Resources, Waste Reduction & Recycling, Forestry, Prairie & Carbon Offsets, Food Production & Distribution, Policy & Research, Education & Engagement and Communications & Public Relations.
Plan for Affordable Housing	City of Evanston	Evanston's Plan for Affordable Housing looks at how to effectively and efficiently meet Evanston residents/ need for housing that is affordable. In addition, the plan looks at the best ways to use federal and local funds to increase affordable housing opportunities in Evanston.
Assessment of Fair Housing	City of Evanston	The City of Evanston is participating in the Cook County-wide Assessment of Fair Housing, completion of which has been delayed by the pandemic.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

All major agencies providing a full range of services in and around the City of Evanston were consulted or contacted to request comments/input. Additionally, the Community Needs Assessment Survey, used to gather input about the City's housing and community development needs and inform the development of the Consolidated Plan, was distributed specifically throughout low/moderate income wards, to residents of four low income senior housing complexes, non-profit organizations and small business owners. The Housing and Community Development Committee reviewed and discussed priority needs for CDBG funding to inform the development of the draft 2022 Action Plan at its October 19, 2021 meeting. The opportunity for additional community input was provided at this meeting as well as the November 16, 2021 meeting. City staff also worked in partnership with stakeholders in our Latinx community including Latino Resources, a non-profit organization dedicated to increasing active civic engagement in the Latinx community, Advocates for Action, a volunteer group of Evanston residents dedicated to building stronger communities by taking action on issues that impact the community, and Downtown Evanston, a nonprofit comprised of downtown Evanston commercial/residential property and business owners established to market, maintain, develop, and improve the vitality of Evanston's economy.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Many local non-profit organizations and City departments were consulted in the 2020-2024 Consolidated planning process and in the development of the 2022 Action Plan.

The City of Evanston invites public comment on the draft 2022 Action Plan in a 30-day period from November 15 - December 14, 2021, following its Citizen Participation Plan. The public comment period was advertised in the Evanston Review, a newspaper of general circulation, a notice on the homepage of the City's website, articles in the City's e-newsletter sent to over 50,000 emails, and on Twitter and Facebook. Non-profits and individuals who have requested information on the City's Consolidated Plan were emailed at the opening of the public comment period. A link to the draft Action Plan on the City's website, as well as the location where printed copies of the plan may be reviewed is included in all forms of communication. People could provide feedback via email, Twitter and Facebook, in hard copy mailed to staff, or in person at the Housing and Community Development Committee Meeting on December 14, 2021.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	Public input was sought at Nov. 16 2021 and Dec. 14 2021 Housing & Community Development Committee meetings.	No comments received.		https://www.cityofevanston.org/government/agendas-minutes/special-council-committees/housing-community-development-act-committee

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Minorities Non-targeted/broad community	Display ad in the November 11, 2021 issue of the Evanston Review, a newspaper of general circulation, that the draft 2022 Action Plan is available on the City's website beginning November 15, 2021 for the 30-day public comment period. The ad also highlights the meeting of the Housing and Community Development Committee on December 14, 2021, at which input from the public was being sought. The Evanston Review is used because it is the only	Annual Action Plan 2022		http://www.cityofevanston.org/2021actionplan

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Internet Outreach	Non-targeted/broad community	News item on the City's homepage and in an e-newsletter story that the 2022 Action Plan draft was available on the City website beginning November 15, 2021.			http://www.cityofevanston.org/2021actionplan

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
4	Internet Outreach	Non-targeted/broad community people who are active on social media	Draft 2022 Action Plan was posted on the City website, in a news item on the homepage, in an opt-in email to individuals/organizations about ConPlan-related activities, and posted on the City's Facebook and Twitter accounts for the 30-day public comment period starting November 15, 2021.			

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
5	Bulletin board postings at community centers and the Public Library	Minorities Senior citizens				http://www.cityofevanston.org/2021actionplan
6	Outreach through ward alderman at ward meetings and via email	Minorities Ward has significant Black/African-American and Hispanic population				http://www.cityofevanston.org/2021actionplan
7	Public Meeting	Non-targeted/broad community				https://www.cityofevanston.org/government/departments/community-development/hud-consolidated-plan
8	Internet Outreach	Non-targeted/broad community				

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The anticipated resources section of the strategic plan describes the City of Evanston’s financial resources for the duration of the 2020-2024 Consolidated Plan. The financial resources listed are not all encompassing but serve to illustrate the City’s ability to use federal and local funding to address the priority needs and goals put forth in this plan. The funds are anticipated to be utilized by various regional and local government entities as well as the service providers which serve Evanston.

While the 2022 grant award was lower than initially anticipated for CDBG, the program income was much higher than projected and the difference in the total was therefore negligible. The HOME award came in higher than anticipated and ESG came in very close to the anticipated number.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,695,926	172,475	0	1,868,401	3,600,000	Expected Amount Available for Remainder of ConPlan estimated at an annual grant of \$1,800,000 with \$150,000 in program income annually
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	388,724	36,080	0	424,804	1,008,000	Expected Amount Available for Remainder of ConPlan estimated at an annual grant of \$310,000 with \$26,000 in program income annually.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	154,945	0	0	154,945	450,000	Expected Amount Available for Remainder of ConPlan estimated at an annual grant of \$150,000
Continuum of Care	public - federal	Conversion and rehab for transitional housing Overnight shelter Transitional housing	1,900,000	0	0	1,900,000	5,700,000	Expected Amount Available for Remainder of ConPlan estimated at \$1,900,000 annually in CoC funding for Evanston projects
LIHTC	public - federal	Multifamily rental new construction	15,000,000	0	0	15,000,000	0	LIHTC, HTF and other sources for Evergreen 60-unit project
Other	public - local	Acquisition Multifamily rental new construction	1,000,000	0	0	1,000,000	0	Evanston Affordable Housing Fund resources for Evergreen project

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Public Services	863,373	0	0	863,373	2,590,000	Mental Health Board and Affordable Housing Funds to be spent on Public Services programs

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funding will leverage private, state and local funds by enabling the City of Evanston to serve those with the greatest need at the highest capacity. Additionally, federal funds will serve as gap financing for City programs or service providers applications that require additional funding in order to have their program, project, or service come to fruition. The grant money provided by HUD will allow organizations and the City to successfully meet the needs of the community’s most vulnerable members.

Evanston’s ESG funds will be matched on a one to one basis using Mental Health Board funds from the City’s Human Services Fund, State funds and other resources including in-kind contributions, depending on the agencies funded, to meet the match requirement. HOME matching funds will be from the Affordable Housing Fund, LIHTC, State of IL Housing Trust Fund, and other sources including developers’ contributions.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Evanston owns some properties and land that may be used to address the needs identified in the plan, particularly those that are located in the CDBG Target Area, which is primarily on the South and West sides of the City. In addition, some underutilized parking lots in southeast Evanston and irregular parcels of vacant land in north and east Evanston residential areas are being evaluated as sites for mixed income housing development to foster economic and racial/ethnic integration throughout Evanston.

Discussion

The City of Evanston will continue to pursue additional funding opportunities which will be used in order to complement existing resources.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2024	Affordable Housing	Entire Jurisdiction	Access to Rental Housing Maintain and Improve Rental Housing Maintain and Improve Owner Occupied Housing	CDBG: \$597,475 HOME: \$192,966	Rental units constructed: 60 Household Housing Unit Rental units rehabilitated: 2 Household Housing Unit Homeowner Housing Rehabilitated: 7 Household Housing Unit Buildings Demolished: 0 Buildings Housing Code Enforcement/Foreclosed Property Care: 2000 Household Housing Unit
2	Homelessness	2020	2024	Homeless	Entire Jurisdiction	Access to Rental Housing Public Facilities Public Services	HOME: \$192,966 ESG: \$143,325	Tenant-based rental assistance / Rapid Rehousing: 22 Households Assisted Homeless Person Overnight Shelter: 300 Persons Assisted Homelessness Prevention: 5 Persons Assisted Other: 200 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Creating Livable Communities	2020	2024	Non-Housing Community Development	Entire Jurisdiction	Public Infrastructure Public Facilities	CDBG: \$651,481	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 1 Households Assisted
4	Economic Development	2020	2024	Non-Housing Community Development	Entire Jurisdiction	Economic Development	CDBG: \$0	Other: 0 Other
5	Public Services	2020	2024	Non-Homeless Special Needs	Entire Jurisdiction	Public Services	CDBG: \$280,260	Public service activities other than Low/Moderate Income Housing Benefit: 900 Persons Assisted
6	Planning and Administration	2020	2024	Planning and Administration of CDBG, HOME & ESG	Entire Jurisdiction	Access to Rental Housing Maintain and Improve Rental Housing Maintain and Improve Owner Occupied Housing Economic Development Public Infrastructure Public Facilities Public Services Homeownership	CDBG: \$339,185 HOME: \$38,872 ESG: \$11,620	Other: 3 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	The City of Evanston aims to increase, maintain, and improve affordable housing. The advanced age of Evanston's housing supply necessitates the need for rehabbing of existing housing. The creation of additional safe, decent, and affordable housing will allow low and moderate income residents the opportunity to remain in the community.
2	Goal Name	Homelessness
	Goal Description	The City of Evanston aims to support services to prevent homelessness and to assist those currently experiencing homelessness. These services include but are not limited to street outreach, rapid rehousing, and tenant based rental assistance. Emphasis will be placed on the housing first model (providing housing as opposed to homeless shelters).
3	Goal Name	Creating Livable Communities
	Goal Description	Creating livable communities through improvements to public facilities and infrastructure. Maintaining and improving the quality of Evanston's existing infrastructure and public facilities is instrumental to ensuring that residents live in a safe, clean, and decent environment.
4	Goal Name	Economic Development
	Goal Description	Economic development will promote the vitality of Evanston's economy in areas of the City that have historically received less investment. Fostering growth in these areas will in turn provide greater opportunities for the City's low and moderate income residents. Economic development activities include but are not limited to, workforce development and job training, and financial assistance to businesses.

5	Goal Name	Public Services
	Goal Description	Improving equitable access to public services for Evanston residents, particularly for historically underserved segments of our population, is a key goal of the City. As seen through input from the community and consultation, there is a high need for public services including, but are not limited to after school and summer youth programs, senior services, and health services.
6	Goal Name	Planning and Administration
	Goal Description	Administration of CDBG, ESG, and HOME.

Projects

AP-35 Projects – 91.220(d)

Introduction

The City has identified the following projects to be implemented in 2022 to achieve the goals in the Consolidated Plan. The Emergency Solutions Grant project will address the needs of homeless individuals, families and households fleeing domestic violence. The Tenant Based Rental Assistance (TBRA) project will address the needs of homeless families with children with direct rental and utilities assistance. The Rental Housing project combines both HOME and CDBG activities, and includes rental construction and rental rehabilitation.

Projects

#	Project Name
1	ESG22-Evanston
2	Tenant Based Rental Assistance (TBRA)
3	Rental Housing
4	Homeowner Rehabilitation
5	Code Enforcement
6	Public Services
7	Public Facilities & Infrastructure
8	Administration

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

AP-38 Project Summary
Project Summary Information

1	Project Name	ESG22-Evanston
	Target Area	Entire Jurisdiction
	Goals Supported	Homelessness Planning and Administration
	Needs Addressed	Access to Rental Housing Public Facilities Public Services
	Funding	ESG: \$154,945
	Description	Homeless prevention, rapid re-housing, street outreach, overnight shelters and administration of program.
	Target Date	9/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	350 beneficiaries are estimated, a combination of single persons, couples, households with children and households fleeing domestic violence.
	Location Description	These activities will take place throughout the City of Evanston
	Planned Activities	Direct rental assistance, supportive services, shelter operations, and street outreach and program administration.
2	Project Name	Tenant Based Rental Assistance (TBRA)
	Target Area	Entire Jurisdiction
	Goals Supported	Homelessness
	Needs Addressed	Access to Rental Housing
	Funding	HOME: \$192,966
	Description	Direct rent and utilities assistance.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	8 to 9 households are estimated to receive TBRA assistance.
	Location Description	Entire jurisdiction.
	Planned Activities	Rent and utilities assistance for McKinney-Vento families with children under 18 to achieve housing stability and economic independence.
3	Project Name	Rental Housing

	Target Area	CDBG TARGET AREA
	Goals Supported	Affordable Housing
	Needs Addressed	Access to Rental Housing Maintain and Improve Rental Housing
	Funding	CDBG: \$50,000 HOME: \$192,966
	Description	Rental housing development or rehabilitation.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	61 HHs with incomes less than or equal to 80% AMI.
	Location Description	1011 Howard Street and 1930 Jackson Avenue.
	Planned Activities	CDBG will be used for rehab of rental units for households with incomes at 80% AM. HOME funding being used for new rental housing construction, the 60-unit CJE/Evergreen Senior Housing and a CHDO project, will be completed in 2022.
4	Project Name	Homeowner Rehabilitation
	Target Area	Entire Jurisdiction
	Goals Supported	Affordable Housing
	Needs Addressed	Maintain and Improve Owner Occupied Housing
	Funding	CDBG: \$212,475
	Description	Rehabilitation of owner-occupied homes throughout Evanston, owned by low-and moderate- income populations.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	5 owner-occupied HHs with incomes at or below 80% AMI.
	Location Description	To be determined based on applications received.
	Planned Activities	Substantial rehab. and emergency rehab. of income eligible, owner-occupied housing.
5	Project Name	Code Enforcement

	Target Area	CDBG TARGET AREA
	Goals Supported	Affordable Housing
	Needs Addressed	Maintain and Improve Rental Housing
	Funding	CDBG: \$335,000
	Description	Code enforcement and demolition.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	Project benefits over 20,000 households living in the CDBG target area.
	Location Description	
	Planned Activities	Code enforcement inspections in the CDBG Target Area, including necessary building demolition/clearance as identified by code enforcement inspectors.
6	Project Name	Public Services
	Target Area	CDBG TARGET AREA Entire Jurisdiction
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$280,260 public-local: \$736,373
	Description	All CDBG public service activities.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	900 individuals and families, primarily low/moderate income, are estimated to benefit from public services activities. This is a reduction from previous years due to the City's equity model of providing deeper, more extensive case management services to individuals/households most in need of support and safety net services that provide basic needs including food, services to households experiencing homelessness and domestic violence services.
	Location Description	Several funded agencies are located in the CDBG Target Area; all agencies serve primarily low/moderate income participants throughout the entire jurisdiction.

	Planned Activities	Public (social) services to low- and moderate- income residents throughout the City of Evanston, particularly for case management services, youth programs, senior services, provision of food, housing services and domestic violence services.
7	Project Name	Public Facilities & Infrastructure
	Target Area	CDBG TARGET AREA Entire Jurisdiction
	Goals Supported	Creating Livable Communities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$651,481
	Description	Improvements made to public facilities and infrastructure.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Public infrastructure activities are primarily in the CDBG target area in census tracts/block groups with 51% low/mod residents. Public facilities are qualified using LMC and may be located anywhere in the city.
	Planned Activities	
8	Project Name	Administration
	Target Area	Entire Jurisdiction
	Goals Supported	Planning and Administration
	Needs Addressed	Access to Rental Housing
	Funding	CDBG: \$339,185 HOME: \$38,872
	Description	Administration of CDBG and HOME.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	The planned activities in this project are HOME, CDBG administration which involve planning and management of grant funded activities and compliance.
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AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

It is estimated that over 90% of all CDBG, HOME and ESG funding will be allocated to benefit persons who are low- and moderate- income. Some projects will be directed across the entire jurisdiction, such as public services and homeowner rehabilitation, whereas others will be directed to the CDBG Target Area (local target area). Some activities, including Code Enforcement and Graffiti Removal, are limited to the CDBG Target Area.

Additionally, it is expected that a significant amount of housing and economic development funds will be focused in the CDBG Target Area.

Geographic Distribution

Target Area	Percentage of Funds
CDBG TARGET AREA	60
Entire Jurisdiction	40

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

All activities funded will primarily benefit low- and moderate- income persons or households, either as direct service or financial assistance or by making improvements in areas benefiting primarily low- and moderate- income persons. Some activities, for reasons of qualification and/or desired beneficiaries, will be focused geographically. Some examples of how the City anticipates geographically focused investments are:

Public Infrastructure Improvements – By their nature, they must be in low- and moderate- income Census Tracts/Block Groups, which are primarily located in the CDBG Target Area. Most of the eligible block groups are located in the South and West areas of the City. It is anticipated that funded public infrastructure improvements, including but not limited to alley paving and park improvements, will be primarily focused in the Target Area.

Economic Development – Economic fundamentals were relatively strong (i.e. low unemployment, low vacancy rates, demand for new housing development, interest from broker community, etc.) prior to COVID-19, although brick and mortar national retailers were in decline and many property owners and real estate experts expressed concern about a micro real estate depression. COVID-19 has had a severe impact on Evanston businesses. The federal, state and local emergency financial assistance has provided stability; the unemployment rate in Evanston has dropped from 7.6% at the beginning of 2021 to 4.5%, but vacancy rates remain high. Support for small businesses remains a focus; the City is exploring ways

to leverage local, federal and recovery funds to support economic development.

Code Enforcement – Although Code Enforcement inspectors perform inspections citywide, the CDBG-funded portion of code enforcement will be within the CDBG Target area, which will be paired with other community development activities in the area to address areas of deterioration, maintaining code enforcement and property standards of dwelling units in the area.

Other programs or projects may take place within the CDBG Target Area, but they will not be exclusively so. An example of this is the CDBG Housing Rehab Program, which benefits all low- and moderate-income homeowners, as it will likely have a large investment in the CDBG Target Area, as this area is host to the highest population of low- and moderate- income households.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

There are a number of housing initiatives that will be implemented in 2022 to support homeless, non-homeless and special-needs residents who are in need of safe and affordable housing, including the CJE/Evergreen Senior Housing project that will be completed and reported in 2022. The programs that impact the most persons or households in 2022 are the tenant-based rental assistance program (TBRA) and the housing rehab program, which serve two very different, yet vital housing needs for the low- and moderate- income residents of Evanston.

One Year Goals for the Number of Households to be Supported	
Homeless	22
Non-Homeless	74
Special-Needs	0
Total	96

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	27
The Production of New Units	60
Rehab of Existing Units	9
Acquisition of Existing Units	0
Total	96

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The Evergreen-Ann Rainey Apartments project, a HOME funded capital project, experienced delays due to COVID-19 and will be completed and rented up in 2022.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of Cook County (HACC) serves suburban Cook County, including Evanston. The HACC administers the Housing Choice Voucher program in Evanston and has two buildings for seniors and the disabled, scattered site units for families, as well as seven project-based Section 8 units in Emerson Square.

Actions planned during the next year to address the needs to public housing

The Housing Authority of Cook County (HACC) is planning substantial renovation of its scattered site family units in 2023. In addition, HACC's proposed second housing development with 152 units on the parking lot of the Jane R Perlman Senior Apartments was approved. This development will be mixed income, with 34 units at 50% AMI with PBV support, 17 units between 80% and 120% AMI for middle-income residents, and 101 at market rate. In addition, a joint project on South Boulevard just east of Chicago Avenue on a City-owned parking lot that is adjacent to a four unit HACC building that has family units (2- and 3-bedrooms) is going through a Request For Proposal process. The development would better utilize land in a Transit-Oriented location through the development of a mixed income rental project comprising < 50% AMI using PBV, low-moderate income, and middle to market rate units, with a focus on larger (3-bedroom) units for families/intergenerational HHs. The Housing Authority of Cook County (HACC) has also started initial conversations on a new 6-story development including family housing on the parking lot adjacent to the existing Victor Walchirk Apartments.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The HACC has a Resident Advisory Board (RAB) established at one of its sites in Evanston, the Walchirk building. The RAB's functions include, but are not limited to: assisting residents with access to computers, offering in-house services such as change for laundry, copies, and postage. RAB activities are somewhat limited during the rehab of Walchirk and Perlman buildings and are also affected by reduced occupancy.

HACC's Resident Service Coordinators work closely with other agencies, including the City's Levy Center, to help its residents access services and participate in activities throughout the community. Additional services are always being considered and added when possible.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The HACC is not designated as troubled.

Discussion

The City will continue to actively engage and communicate with HACC to ensure that the needs of residents assisted by that agency are met and services are coordinated with other agencies for efficient and effective use of all community resources.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The following section discusses the homeless and special needs activities to be undertaken in Evanston during the fiscal year of the 2020-2024 Consolidated Plan.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Connections for the Homeless' homeless outreach program is the largest provider of services to Evanston's homeless population, including the unsheltered homeless, and addresses a wide range of needs. Case managers develop individualized case plans for each client; assist them to obtain housing and access services that may include employment counseling/placement, health services, substance abuse counseling and education. Connections for the Homeless works in partnership with the Alliance to End Homelessness in Suburban Cook County and local providers including, but not limited to, Interfaith Action, Family Promise, the Men's Residence at the McGaw YWCA, the YWCA of Evanston/North Shore; all agencies provide housing and case management services to people experiencing homelessness or at risk of homelessness. Connections participates in Coordinated Entry and follows progressive engagement strategies as required.

Connections will continue operations of two drop-in locations (Lake Street Church and Dewey Ave.) for people experiencing homelessness in FY2022; drop-in services expanded to 60 visitors per day at both locations in FY2021. Connections expanded shelter services in FY2020 from an 18-bed overnight shelter for male-identifying clients to an 80-bed, 24/7 shelter for people of all genders and family configurations; in 2021 shelter operations served 343 people including 65 children. Providing non-congregate shelter enables Connections case managers to identify and engage people experiencing homelessness and to rehouse these vulnerable households using ESG and ESG-CV funding.

Addressing the emergency shelter and transitional housing needs of homeless persons

In recognition of the disproportionate housing, health, and economic impacts of the pandemic on low-income communities and communities of color, and the importance of mitigating these effects, federal funds can be applied to a broad range of services and programs. Developing and improving housing for homeless and housing insecure individuals and families is critical to alleviate the economic impacts of the pandemic and address health and economic outcomes of the pandemic in low-income areas. Eligible uses include: supportive housing, rehabilitation and repairs to existing affordable housing, and, perhaps most critically, non-congregate homeless shelter. The City is exploring the feasibility of using ARPA, HOME-ARP, and other funds to build permanent non-congregate shelter for people experiencing

homelessness. Since ARPA is one-time funding, if funds were allocated to a shelter, other sources of ongoing support will need to be identified to sustain new or expanded services.

In FY 2020 and 2021, Connections for the Homeless contracted with the Margarita Inn for 42 rooms used as non-congregate emergency shelter for homeless Evanston residents; this has replaced the 18 congregate beds at Hilda's Place, Connections for the Homeless' transitional shelter. The YWCA Evanston-North Shore's 34-bed domestic violence shelter reopened after a brief close due to COVID-19. In FY 2022 Emergency shelter will continue to be provided for 90 days; the agency also offers 10 transitional housing units (12-18 months) and 16 units of longer-term housing (2-3 years); the agency anticipates services to 700 survivors annually. Both agencies are supported by the City with ESG, CDBG and City of Evanston funds.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City will use ESG funds for re-housing as its primary strategy to reduce the amount of time that individuals and families (chronically homeless, families with children, veterans and their families, and unaccompanied youth) experience homelessness; this will include ESG-CV and FY2022 funding.

The City will use HOME funds for Tenant Based Rental Assistance to address both the shortage of available affordable units, particularly for larger households, and the inability of some households to pay rents generally considered affordable due to the lack of ability to earn a living wage. Households with children under the age of 18 enrolled in Evanston schools that are doubled-up/unstably housed (category 2 in the definition of homeless) are a priority population for the program. HOME funds are being used to support the Evergreen project, a 60-unit senior living facility that will provide affordable units to income eligible seniors; this project is expected to complete in 2022. Funding for TBRA may be reduced from prior years due to the anticipated ongoing needs of families previously enrolled, but negatively impacted by COVID-19.

Heads of households in the TBRA program will receive education/job training in addition to rent assistance to develop the ability to earn living wages to maintain market rate housing independent of a subsidy. The City will work with Connections for the Homeless to enroll an estimated 8 to 9 new households in 2022 and provide ongoing, needed support for vulnerable families enrolled in the prior year.

ESG funds for homeless prevention address preventing individuals and families who were recently homeless from becoming homeless again. ESG-supported programs are required to provide case

management and supportive services, and to connect clients with mainstream resources to increase their likelihood of achieving long-term housing stability. ESG-funded clients will receive follow-up contact to determine their housing status 6 and 18 months after termination of assistance as required and provide additional support as needed to prevent households from becoming homeless again, as well as determine program outcomes.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

ESG Prevention funds will be used as described above to help households with incomes below 30% of area median income avoid becoming homeless, and re-housing funds will be used to help low-income households achieve housing stability in 2022. All agencies receiving ESG funds are required to connect households to mainstream benefits as available and appropriate for their needs. In addition, the City's Social Services Committee evaluates the effectiveness of case management services and safety net services of agencies applying for funds as a criterion of funding. Public Service applications are reviewed by the Social Services Committee prior to City Council approval. Funds are used to support or increase capacity for agencies providing holistic case management services to connect participants to public benefits and community supports that help them achieve self-sufficiency as part of the City's equity model to provide support for low/moderate income households and households that have been historically underrepresented.

Discussion

The City of Evanston continues to collaborate with the Alliance to End Homelessness in Suburban Cook County to address the needs of homeless individuals and families in Evanston.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The City of Evanston has been experiencing rapidly-rising prices in both the rental and ownership real estate markets. Low inventory levels have particularly affected the home ownership market. Property prices and high construction costs are creating challenges for building affordable units throughout the city. Additionally, while the eviction moratorium and various rental assistance programs have held off most major impacts on renters, the end of the eviction moratorium and mortgage forbearance programs are likely to impact residents in 2022.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Evanston amended its Inclusionary Housing Ordinance (IHO) in 2018, with an effective date of January 1, 2019, revising the fees in-lieu to incentivize on-site units. Since then, the new policy has shown to be productive with developments choosing on-site units more frequently. 32 affordable units were created in 2020, 13 in 2021, with a potential 27 more units approved for construction. A review of the IHO will take place in 2022 through the Housing & Community Development Committee to assess the effectiveness of the IHO and its impact on the current real estate market. This review will provide an opportunity to modify the IHO's requirements to improve its impact and better incentivize the targeted results. Additionally, updates to the 3-unrelated, nuisance premises, and rental registration ordinances are in discussion and are likely to continue in 2022 to implement more equitable policies for renters as well as remove barriers to rentals for non-traditional households.

Discussion:

The primary barrier to affordable housing is the continuing mismatch between incomes and housing costs in Evanston. Evanston lost 70.7% of its units renting for less than \$700 between 2000 and 2011, while the number of units renting for more than \$1,000 increased by two-thirds. Minimum-wage, single income households and those depending on Social Security Income (SSI) payments cannot afford an apartment renting at the fair market rate in Cook County. Additionally, property taxes continue to represent an affordability concern for residents, particularly those with fixed incomes.

High property costs, particularly in predominantly single family neighborhoods with larger lot sizes and transit oriented corridors, have resulted in the concentration of affordable housing in west and south Evanston neighborhoods rather than being dispersed evenly. The stigma associated with affordable housing can be a barrier to building affordable housing in areas of the City where currently none exist.

Another barrier to affordable housing within Evanston is the shortage of decent, affordable, and

accessible housing for persons with disabilities. The supply of affordable housing accessible to persons with physical disabilities is due in large part to the age of housing stock, most of which was built before the Americans with Disabilities Act was passed. Much of the City's older homes are difficult to retrofit for accessibility because they are multi-story units with stairs. This is true of smaller two-to-four flats as well as larger three- or four-story walk-ups built in the 1930s and 1940s. Some facilities designed to accommodate people with mobility disabilities exist in Evanston, including the two buildings HACC updated per its Section 504 Transition Plan. However, stakeholders and HACC waiting list data suggest that the unmet need for affordable accessible housing will continue to be significant.

The City's occupancy standards for rental housing that limits the number of unrelated persons residing in a single housing unit can be an additional barrier to affordable housing, particularly for non-traditional households.

The City of Evanston wants to ensure that it is the most livable city for all of its residents. In order to most effectively address the housing needs of its low-, moderate-, and middle-income residents, and maintain its economic and racial diversity, priority for income restricted rental and ownership units will be given to eligible households that live in Evanston or have a household member that works in Evanston wherever possible and in compliance with fair housing. The City has developed a centralized wait list for income restricted units developed through the Inclusionary Housing Ordinance to facilitate access to affordable housing for its residents. Properties with income restricted units not developed through the IHO may choose to get referrals from this centralized wait list to expand its effectiveness. Rental assistance programs funded with HOME, ESG and local funds will be used in Evanston to the greatest extent feasible to minimize displacement of lower income residents.

AP-85 Other Actions – 91.220(k)

Introduction:

The following are actions to be undertaken by the City of Evanston to address obstacles to meeting underserved needs, foster and maintain affordable housing, reduce lead based paint hazards, reduce the number of property-level families, develop institutional structure, and enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

As a result of the COVID-19 pandemic, the following priority needs have been identified:

- Housing for Evanston residents currently experiencing homelessness and/or living in non-congregate shelter
- People experiencing food insecurity due to loss of income and who lack other sources of support
- Care for preschool, elementary, and middle school children, particularly for parents/families with essential/front-line jobs that do not have an adult at home to care for children, including school age children learning remotely, and older family members
- Mental health needs including individual and group counseling services, psychiatric services and medication management, and services targeted to youth and BIPOC populations

The City received \$1,586,370 in CARES Act CDBG-CV funding and \$966,314 in ESG-CV funding to prevent, prepare for and respond to the coronavirus. ESG-CV funds were primarily dedicated to rehousing individuals and families living in non-congregate shelters to protect from coronavirus. CDBG-CV is being used for homeless shelter operations, for food assistance, rent assistance, to support micro-enterprises that have lost income due to COVID-19, and to support a child care program for households not eligible for other subsidies that have lost income due to COVID-19. All ESG-CV funds have been allocated and the City expects to have ESG-CV funds expended by June 2022. ESG-CV funds primarily supported rapid-rehousing efforts, prevention and case management; the City also used a portion of funds to support the management of HMIS in partnership with the Alliance to End Homelessness in Suburban Cook County, the City's CoC.

The City restructured its allocation process for public service funds to incorporate a resident-focused intake process for all services. The goal of the restructure is to align with the City goal of eliminating systemic inequities in service delivery, particularly for POC and facilitate recovery from the pandemic taking into account the disparate impact on BIPOC populations. Funds are allocated by the Social Services Committee for case management, safety net, and support services. The social services identified for entitlement funding may also be eligible for ARPA funding to assist populations experiencing health or economic harm from the pandemic. As stated earlier, mental health and child care have been prioritized using entitlement, local and CARES Act funding.

Additionally, the City is exploring uses for ARPA funding including support for a mental health living room that would provide community-based mental health services that could be used by people experiencing a mental health crisis as an alternative to 911 or hospitalization. Living Rooms provide a safe space for people in crisis and are a cost-effective alternative source for peer counselors, counselors to teach de-escalation skills and provide referrals for housing, healthcare and other necessities. Potential community partners include Amita Health and Erie Family Health Center for space and Josselyn Center and Turning Point as service providers.

The City continues to assess the impacts of the pandemic; staff works closely with service providers to assess the needs of the populations they serve. Vital public service needs include individual/group counseling, workforce development/job training, and child care for households impacted by COVID-19. Evanston's goal is to provide support for the most at-risk populations as outlined above to provide needed services directly to identified populations rather than funding traditionally funded programs that meet a wider variety of needs.

Actions planned to foster and maintain affordable housing

Evanston continues partnerships with Metropolitan Tenants Organization (MTO) and Lawyers' Committee for Better Housing (LCBH) to strengthen landlord/tenant relations, particularly for low-income households with subsidies, and increase awareness of landlord-tenant rights and responsibilities. These efforts are particularly critical given the widespread inability of some low/moderate income residents to pay rent. This contract was renewed for another 12 months in 2020 and will be up for renewal in December 2021. Additionally, the partnership with LCBH will provide low-income residents with legal assistance and representation in cases of evictions, retaliation, illegal lockouts, etc. LCBH also participates in the Cook County Legal Aid program, providing legal assistance to residents with eviction and bankruptcy issues.

The City of Evanston has a locally funded Affordable Housing Fund, which is used for the development and rehab of affordable housing for persons up to 120% of the area median income. This provides funding in addition to CDBG and HOME funds to develop and maintain much-needed affordable housing throughout Evanston. For 2018, 2019 and 2020, City Council named expanding affordable housing options as one of its annual goals. Several strategies have been researched and discussed by City Council, such as the creation and rental of accessory dwelling units, zoning changes to allow for smaller lots, and the use of City-owned land for affordable housing development. The City Council approved the creation of new detached or internal accessory dwelling units, and amendments to the City's Inclusionary Housing Ordinance. A Request for Proposal was opened in 2021 for the development of housing on a underutilized city parking lot; this work will continue in 2022 with the goal to bring additional affordable units to the community in an area that is highly accessible to public transportation

Additionally, a rental and mortgage assistance program was implemented in 2021 to assist low to moderate income tenants and homeowners who were financially impacted by COVID-19. There is a

need to assist smaller landlords who have also been impacted by the stringents restrictions during COVID-19 and may not have been eligible for assistance. Small to midsize landlords often provide naturally occurring affordable housing in Evanston and without some assistance, the community may be at risk of losing existing units.

The Housing rehabilitation program will continue in 2022, targeting low income home-owners who are unable to make necessary repairs to their homes. With a focus on sustainability, climate resilience, and energy efficiency, there is an opportunity in 2022 to expand this program and combine various sources of funding for more impact.

Actions planned to reduce lead-based paint hazards

The City's Health & Human Services Department receives the TORRENS grant from Cook County Department of Public Health which offers a yearly maximum of \$39,600 of financial assistance for low income property owners. They also receive a yearly grant of \$24,900 from the Illinois Department of Public Health to aid in paying for testing and inspection supplies.

Cook County has a Healthy Homes and Lead Paint Hazard Grant from HUD that runs through May 31, 2025, and will be used to correct Health home and lead paint hazards in homes located in suburban Cook county communities for families that qualify. Lead hazard repairs typically include: healthy home housing hazards, painting, replacing windows, or other home repair work to remove or contain lead paint.

In addition to responding to cases of childhood lead poisoning the Evanston HHS also provides preventative lead risk assessments for Evanston residents as long as there is either a child age 6 or less or a pregnant woman is living at the property. This is a proactive service offered to the residents of Evanston to help them become aware of the possible lead hazards in their home along with preventing their child from becoming lead poisoned.

Actions planned to reduce the number of poverty-level families

There are a variety of actions the City undertakes throughout the year in an effort to reduce the number of poverty-level families and increase self-sufficiency. The programs funded through CDBG and / or HOME that work towards this goal are the tenant-based rental assistance (TBRA) program, Certificate of Rehab program and a variety of other job training and education programs aimed at youth and young adults. Additionally, the City's investment in the Cradle to Career program demonstrates its commitment to ensuring that Evanston residents are prepared for the workforce.

The City will pilot a guaranteed income program funded with ARPA and a contribution from Northwestern University that will provide direct financial assistance of \$500 each month to a limited number of low-income households. Payments are being made to an equal number of residents from each of the following three categories: disengaged youths (ages 18-24), senior citizens (over 62) and

undocumented residents. The goal of this program is to provide crucial stability and consistency to the most vulnerable individuals and families in our community who have been most deeply impacted by the pandemic.

The City's Economic Development Department also works diligently to grow the City's economy, specifically through the creation of the Five-Fifths TIF which can be used to: expand affordable housing, provide assistance for repairs to existing residential property in low-moderate income census tracts historically impacted by redlining practices, create job training/workforce development programs, assist small businesses in the Fifth Ward business districts, renovate public community centers and education facilities, and upgrade city infrastructure including parks, alleys, streets/sidewalks, water/sewer systems. The primary intent of the TIF is to maintain cultural, socioeconomic and racial diversity in one of the region's strongest Black communities. The TIF will also provide a sustainable source of funds to help long-time property owners maintain and upgrade housing and can be used for targeted upgrades to infrastructure, amenities, and business districts.

Actions planned to develop institutional structure

City staff works throughout the year to increase institutional structure, both within the City and throughout our partner agencies. This is accomplished through providing technical assistance on federal grant management requirements, such as providing information about Davis-Bacon requirements, financial management and other grant management procedures. Staff maintains contact with partner agencies throughout the year, offering referrals for funding and training opportunities where appropriate.

All policies and procedures related to internal grant management procedures are being reviewed, and will be updated when areas of opportunity for efficiency and collaboration are identified. Additionally, investment is made in technology that assists departments within the City to more effectively and efficiently manage grant programs; an example is CDM, which is the City's management software program for all housing-related projects that require project or loan management and ongoing compliance. Staff also attends relevant training and conferences, where available, on all aspects of grant and project management.

Actions planned to enhance coordination between public and private housing and social service agencies

The City is heavily invested in collaborations throughout the community, as evidenced by the multiple roundtable discussions held with City staff and service providers to assess community needs and recovery efforts to provide equitable support to vulnerable populations. The City has successfully paired with multiple health-service providers, such as Erie Family Health Center, which provides bi-lingual medical, dental and mental health services to the community, regardless of the person's ability to pay. This has been a critical partnership that has increased the community's access to quality, affordable

healthcare. Family Focus, James B. Moran Center for Youth Advocacy and Youth & Opportunity United provide case management services to vulnerable populations including justice impacted and/or homeless youth, and DCFS involved families. The City also supports North Shore Senior Services providing case management and benefits enrollment services to seniors, and the Housing Authority of Cook County to expand needed case management and mental health services to low-income elderly and residents with disabilities.

Discussion:

The City's Community Development Department working in collaboration with the Economic Development Department is committed to making Evanston the most livable city in America, and has evidenced this commitment through community partnerships, investment in economic and neighborhood development. The actions identified above will further this initiative and will increase opportunities for low- and moderate- income residents to receive necessary services and have access to affordable housing options

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Housing and Grants staff is responsible for ensuring compliance with all program specific requirements, as well as for program monitoring and reporting. In addition, staff ensures that federal cross-cutting requirements, including the Omni Circular, Davis-Bacon and Related Acts, Uniform Relocation Act, and Section 3, are met.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	0.70%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

Annual Action Plan 55
2022

as follows:

Additional forms of investment in the construction of new affordable rental housing includes Low Income Housing Tax Credits and City of Evanston Affordable Housing Funds that are being invested in the Evergreen 60-unit senior development project on Howard Street.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City does not plan to use HOME funds for homebuyer activities in 2022; HOME resources will be focused on rental housing needs, primarily of households whose incomes do not exceed 60% of the area median income.

If homebuyer activities were to be undertaken, the City would use recapture provisions to maintain long-term affordability for ownership projects with direct homebuyer subsidies in the form of down payment or closing cost assistance, or purchase price reductions (soft second mortgages) used to maintain compliance. The length of the affordability period would be based on the amount of HOME subsidy and forgiven on a pro-rata basis as long as the property remains the owner's primary residence. The balance is due only if the property is sold or ceases to be the buyer's primary residence before the end of the affordability period, subject to net proceeds.

The City's recapture terms are based on the minimum HOME requirements. Subsidies of \$14,999 per unit or less are subject to recapture for five years, subsidies between \$15,000 and \$39,999 are subject to recapture for ten years and subsidies over \$40,000 are subject to recapture for 15 years.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

If homebuyer activities were undertaken, the City would record a Junior Mortgage and Land Use Regulatory Agreement (LURA) deed restriction that acts as the Affordable Housing Restriction to ensure that the HOME funds are subject to recapture if the unit does remain the principal residence of the purchaser for the length of the affordability period. Buyers would also sign an Agreement with the City describing the HOME subsidy. The City considers requests to subordinate its junior mortgage in a refinance of the first mortgage as long as the borrower does not receive any cash back as part of the refinancing and the new loan amount does not exceed the original first mortgage with allowances for generally accepted financing costs. The City will not subordinate to a negative amortization loan or any loan it deems to be predatory.

Loan principal would be forgiven:

- At the rate of 1/60th per month for a 5 year term
 - At the rate of 1/120th per month for a 10 year term
 - At the rate of 1/180th per month for a 15 year term
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds may be used to refinance existing debt secured on multi-family rehab projects, excluding projects whose debt is made or insured by any federal program. The City may consider using HOME funds to refinance existing debt in specific situations using the following guidelines:

- To ensure that rehabilitation is the primary eligible activity, HOME funds may be used only to refinance the rehabilitation portion of a loan and up to 40% of acquisition financing.
- The property must be inspected to ensure disinvestment has not occurred.
- The Project pro forma will be reviewed to ensure that the long-term needs of the project can be met and that serving the targeted population is feasible.
- It must be stated whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- Whether the length of the affordability will extend beyond the minimum 15 years will be determined and specified before HOME funds are invested.
- The project must be located in Evanston.
- HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

ESG Policies and Procedures are attached.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The City of Evanston is part of the Suburban Cook County Continuum of Care. The Alliance to End Homelessness in Suburban Cook County, lead agency for the Cook County CoC, has a common intake form and data entry standards for HMIS. The Alliance includes members of the Continuum of Care in a process to refine and improve its coordinated intake system. The process coordinates intake from multiple access points, including phone/internet, walk-ins at agencies, shelters and street outreach and uses a pre-screen to assign individual cases to:

- Diversion/Prevention with case management only
- Prevention funding and case management
- Referral to parallel systems such as Veterans and DV programs
- Progressive engagement strategies to ensure participants receive needed subsidies and services
- Short-term intervention combining case management and shelter for homeless
- Medium-term intervention combining case management with bridge housing (rapid re-housing), Safe Haven or transitional housing
- Long-term intervention combining case management with permanent supportive housing or rapid re-housing or transitional housing, as available.

All cases qualified as needing short-, medium, or long-term interventions would use the VI-SPDAT and be ranked for housing based on vulnerability.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

City Staff develops recommendations for ESG allocations that are reviewed by the Housing and Homelessness Commission (HHC). Staff then takes recommendations to the Human Services Committee or Planning and Development Committee of City Council. The recommendation of that committee is reviewed and approved by the Evanston City Council. All recommendations are discussed at public meetings, whose agendas are published in advance, as required by the Open Meetings Act.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with

homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City of Evanston is part of the Alliance to End Homelessness in Suburban Cook County and the Suburban Cook County Continuum of Care. The Alliance has homeless or formerly homeless persons on its Board of Directors and in its working groups. Connections for the Homeless, an ESG subrecipient and member of the Alliance, also has people with lived experience on its board of directors and engaged in Joining Forces, its advocacy program.

5. Describe performance standards for evaluating ESG.

Performance standards are as follows:

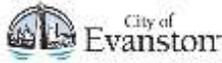
- Engagement rate: the percent of persons exiting shelter where the destination is known
- Percent of persons exiting shelter who use 30 shelter-nights or fewer
- Percent of persons exited to permanent housing
- Follow up contact to determine housing status 6 months after termination of assistance

Attachments

Citizen Participation Comments

11/17/21, 1:40 PM

CITY OF EVANSTON Mail - Citizen Participation Plan



Sarah Flax <sflix@cityofevanston.org>

Citizen Participation Plan

1 message

Jane Grover <blanchgrov@comcast.net>
To: Sarah Flax <sflix@cityofevanston.org>

Wed, Nov 17, 2021 at 11:39 AM

Morning, Sarah! Sad to see the garden season ending.

I saw the city's notice about comments on the Citizen Participation Plan. Just a note that it should be called a "Public Participation Plan" or "Community Participation Plan", as not all those who would participate are citizens. Residents could be part of it, notwithstanding their citizenship status. An equity angle on this.

Thanks.

Jane

Jane Grover (she/her)
847-902-7465 m
Tw: @janegrover

<https://mail.google.com/mail/u/0/?ik=dd1609b73c&view=pt&search=all&permthid=thread-f%3A1716897982507801525%7Cmsg-f%3A1716897982507...> 1/1

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Chicago Tribune Media Group does hereby certify that it is the publisher of the Evanston Review. The Evanston Review is a secular newspaper, has been continuously published weekly for more than fifty (50) weeks prior to the first publication of the attached notice, is published in the City of Evanston, Township of Evanston, State of Illinois, of general circulation throughout that county and surrounding areas, and is a newspaper as defined by 715 ILCS 5/5.

This is to certify that a notice, a true copy of which is attached, was published 1 time(s) in the Evanston Review, namely one time per week or on 1 successive weeks. The first publication of the notice was made in the newspaper, dated and published on 11/11/2021, and the last publication of the notice was made in the newspaper dated and published on 11/11/2021.

This notice was also placed on a statewide public notice website as required by 715 ILCS 5/2.1.

PUBLICATION DATES: **Nov 11, 2021.**

Evanston Review
In witness, an authorized agent of The Chicago Tribune Media Group has signed this certificate executed in Chicago, Illinois on this

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**NOTICE
CITY OF EVANSTON SEEKS
PUBLIC COMMENT ON 2022
ACTION PLAN & AMENDED
CITIZEN PARTICIPATION
PLAN THROUGH DECEMBER
14, 2021**

The City of Evanston's Housing & Community Development Committee seeks public comment from Monday, November 15, 2021 through Tuesday, December 14, 2021 on the 2022 Action Plan and Amended Citizen Participation Plan.

The 2022 Action Plan outlines how the City's estimated 2022 Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Solutions Grant (ESG) funds, along with program income and Unspent CDBG funds from prior years, will be used to improve the quality of life primarily for low and moderate income Evanston residents. The Citizen Participation Plan has been amended to reflect the new committees, Housing and Community Development Committee and the Social Services Committee, that oversee the City's CDBG, HOME and ESG programs.

A draft of the 2022 Action Plan and Amended Citizen Participation Plan may be viewed in person at the Evanston Public Library (1703 Orrington Avenue, Evanston) and Robert Crowl Community Center or online at www.cityofevanston.org/complan beginning November 15, 2021.

Questions and comments may be submitted via email to housing@cityofevanston.org or by phone or video conference during the public meeting that will be held virtually on Tuesday, December 14, 2021 at 7 p.m.; meeting details will be available at cityofevanston.org/events. All interested persons are encouraged to participate.

For more information about the Draft Action Plan, Amended Citizen Participation Plan, and/or the meeting, email housing@cityofevanston.org or call/text 847-448-311.

11/11/21 7081883

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City of Evanston
Citizen Participation Plan Amendment
for the 2022 Action Plan
DRAFT FOR PUBLIC COMMENT
Changes highlighted in yellow

Introduction and Purpose

As a recipient of Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grant (ESG) entitlement funds from the U.S. Department of Housing and Urban Development (HUD), the City of Evanston is required to develop a Consolidated Plan and annual Action Plans to guide its use of those funds, and Consolidated Annual Performance and Evaluation Reports (CAPER) to report accomplishments against the goals of those plans. The City is also responsible for engaging the public in all phases of the development of its Consolidated Planning process. In addition to consulting with public and private agencies to define community needs and resources available to address them, the City encourages participation from all residents, particularly low- and moderate-income residents, non-English speaking residents, persons with disabilities, and other segments that receive services funded by its entitlement grants, to expand their participation in the Consolidated Planning process.

The City of Evanston's Citizen Participation Plan (CPP) outlines the policies and procedures the City has developed to encourage Evanston residents and stakeholders to participate in the development of the City's Consolidated Plans, annual Action Plans and CAPERs, as well as any substantial amendments to the Consolidated Plan or Action Plans. The CPP is designed in accordance with Section 104 (a) of the Housing and Community Development Act of 1974, codified at 42 U.S.C. Section 5304 (a) and 24 CFR Part 91.105.

The City's Community Development Department is the lead agency with responsibility for the Consolidated Planning process, including implementation of its Citizen Participation Plan.

Development of the Consolidated Plan and Action Plans

Community Development staff use online surveys and public meetings to get input on the housing, community and economic development needs and priorities from its residents for the development of the Consolidated Plan. Surveys, focus groups and individual conferences are used to get input from housing providers, non-profit services providers, public agencies and elected and appointed officials. Input regarding needs in the community is sought from residents and stakeholders at two or more meetings to inform the development of each Action Plan.

A draft of each Consolidated Plan and/or Action Plan is posted on the City's website and printed copies are made available at the Lorraine Morton Civic Center, Evanston Main Library and the Robert Crown Branch Library Center, unless those buildings are closed due to the COVID-19 or

any other emergency, during the required 30-day comment period. Public input on the plan is sought by the Housing and Community Development Committee in written form and at a public meeting during the 30-day comment period. The committee recommends approval of the plans to the City Council subsequent to that process. City Council meetings at which action to adopt or approve the plans is taken also offer opportunity for public comment. Any public comment received during the comment period or at the public meetings is summarized and attached to the Consolidated Plan and/or Action Plan prior to its submission to HUD, including any comments or views that are not accepted and the reasons for which they are not accepted. Consolidated Plans and Action Plans must be approved by City Council prior to the end of the preceding calendar year to ensure expenses incurred by CDBG funded programs can be charged beginning on January 1, the start of the City's fiscal year. Action Plans are submitted to HUD once the City is in receipt of final grant amounts.

Needs Assessment - CARES Act Substantial Amendment to the 2019 Action Plan

Housing and Grants staff received input on the needs resulting from the COVID-19 pandemic from Evanston stakeholders and residents during the development of the CARES Act substantial amendment. Sources include:

- Mayor Hagerty's COVID-19 Task Force comprising key members of the education, government, business, faith, nonprofit, health, and senior communities. Organizations include AMITA Health Saint Francis Hospital, NorthShore University HealthSystem, Representative Jan Schakowsky, State Senator Laura Fine, State Representatives Robyn Gabel and Jennifer Gong-Gershowitz, Cook County Commissioner Larry Suffredin, Evanston senior living communities, Evanston Chamber of Commerce, Evanston Community Foundation, Interfaith clergy and leaders, Evanston Own It, Northwestern University, Evanston/Skokie School District 65, and Evanston Township High School District 202. The task force has been met at least weekly since 3/17/2020.
- City of Evanston Emergency Operations Center, a cross-departmental team formed to address the immediate needs of the COVID-19 emergency, secure resources to address those needs, and develop a multi-phase "re-opening" plan for the City, coordinated with the State of Illinois and federal plans.
- Non-profit agencies that are addressing the needs for housing, shelter, food, and other necessities, including Connections for the Homeless, Meals On Wheels Northeast Illinois, Interfaith Action, YWCA Evanston North Shore, Family Promise, and the McGaw YMCA Men's Residence Program.
- Surveys of local businesses and landlords/property managers to determine needs and their ability to access assistance through programs such as the Small Business Administration's Payroll Protection Plan.

Process for Citizen Participation

The City of Evanston invites public participation at all stages of the Consolidated Planning process. The City is committed to making reasonable and timely access to the needs assessment, strategy development and budget recommendation process for all members of the community, particularly low- and moderate-income persons.

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City of Evanston

Citizen Participation Plan

Substantial Amendments to the Consolidated Plan or Action Plans

HUD requires entitlement communities to specify the criteria that trigger an amendment to the Consolidated Plan or Action Plan and describe the public process for amending those plans. The City of Evanston defines a substantial amendment to the Consolidated Plan or Action Plan as:

- A change in funding among the Goals used in the development of the plan (SP-45 for Consolidated Plan, AP-20 for Annual Action Plans), that is greater than 20% of the total allocated towards the Goal
- The deletion of a Goal included in a plan
- The addition of a Goal not currently included in a plan

Any changes to an Action Plan following receipt of the City's entitlement grant amounts that increase or decrease funding for a goal by less than 20% shall be considered "non-substantial" and may be approved by the Housing and Community Development Committee or Social Services Committee as appropriate, based on the program affected. These changes would not trigger a second public comment period.

Substantial amendments to the Consolidated Plan are proposed to the Housing and Community Development Committee for review and a public hearing is conducted. Additionally, the public is provided a minimum of 30 days to review and make comments on the proposed change. If approved by that committee, the substantial amendment is submitted to the City Council for approval.

Substantial amendments to Action Plans are proposed to the Housing and Community Development Committee and, if pertaining to CDBG Public Services or ESG funding, jointly to the Social Services Committee. The required 30-day comment period to hear public comment on the proposed change would be held by the Housing and Community Development Committee; a joint meeting with the Social Services Committee could be held if the amendment related to funding overseen by that committee. If approved at the committee level, the substantial amendment is submitted to the City Council for approval. All City Council meeting agendas include public comment, so the Council meeting may also serve as the public meeting for the 30-day public comment period. Any substantial amendment approved by the City Council is submitted to HUD as it occurs during the year or at the end of the program year. All public comments received during the comment period or at the public meetings are considered, summarized and attached to the substantial amendment when submitted to HUD; any comments or views that are not accepted and the reasons for which they are not accepted are also included.

CARES Act Substantial Amendment Process

The CARES Act substantial amendment requires amendments to both the 2019 Action Plan and 2015-2019 Consolidated Plan. These amendments, and this amendment to the Citizen Participation Process, will be posted on the City of Evanston's HUD Consolidated Plan webpage for a minimum of five (5) days, as required. Comments on the substantial amendments may be submitted via email to housing@cityofevanston.org during the five-day public comment period.

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City of Evanston

Citizen Participation Plan

In addition, the CARES Act substantial amendment must be approved by City Council before it is submitted to HUD. The substantial amendment is included in the packet for the City Council "virtual" meeting and posted at least 48 hours prior to that meeting. Input may be provided in writing via email, or verbally by telephone or online during public comment. Any public comment received, including at public comment at the City Council meeting, are considered, summarized and attached to the substantial amendment when submitted to HUD; any comments or views that are not accepted and the reasons for which they are not accepted are included.

All other amendments shall be considered "non-substantial." This includes amendments to either the Consolidated Plan or Action Plan that are required when plans are based on estimated funding and are modified based on actual grant amounts.

Consolidated Annual Performance and Evaluation Report

The Consolidated Annual Performance and Evaluation Report (CAPER) identifies the expenditures and performance results for each Annual Action Plan activity in a completed program year and any outstanding activities from prior program years. Corresponding to the City's fiscal year of January 1-December 31, CAPERs are submitted to HUD by March 31, within 90 days of the City's program year end. Prior to its submission to HUD, the draft CAPER is posted on the City's website for the required 15-day public comment period and The Housing and Community Development Committee holds a public meeting to hear public input. Input is also accepted in written form. The Housing and Community Development Committee recommends acceptance of the CAPER to the City Council. The City Council meeting at which the CAPER is approved also provides opportunity for public comment. Any public comment received during the comment period or at the public hearing is considered, summarized and attached to the CAPER for submission to HUD.

Public Meetings

In addition to public meetings of the Housing and Community Development Committee and Social Services Committee, there are opportunities for citizen input on housing, economic development and public services needs throughout the year at regularly scheduled public meetings of the Economic Development Committee, Planning and Development Committee and Human Services Committee, as well as at City Council meetings.

To ensure access for persons with disabilities, most meetings are held at the Lorraine H. Morton Civic Center and occasionally at other locations that are accessible to persons with mobility impairments including the Main Public Library, Robert Crown Community Center, Levy Center and Fleetwood-Jourdain Community Center. Translators are provided at meetings if requested 48 hours in advance of the meeting.

Meetings of the City Council and Standing Committees of the Council are broadcast on the Evanston cable channel 16 and streamed live on the internet. Notices of public meetings and comment periods include contact information for anyone needing assistance because of a disability or language difference. If an individual is unable to attend a public hearing and wishes to comment on the subject matter of the hearing, written comments may be submitted to the

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Housing and Grants division of the Community Development Department via email, USPS or in person.

Amendment for Public Meetings During Declarations of Emergencies

During the COVID-19 pandemic, Evanston public meetings have been modified based on Governor Pritzker's order that waives some requirements of the Illinois Open Meetings Act to allow local governments to hold "remote" meetings to help control the spread of COVID-19. That order waives the requirement that a quorum of members of a public body be "physically present" at the meeting location, and limits the circumstances under which an individual member may take part by video or audio conference. It applies to City Council meetings, as well as Evanston board, committee and commission meetings. The order did not suspend other provisions of the Open Meetings Act pertaining to public notice of all meetings or that meetings be open and accessible to the public and press, and include a means for the public to address the Council, board, committee or commission.

Funding Allocation Process

The City of Evanston's fiscal year starts on January 1, but CDBG, HOME and ESG grant amounts historically are released well after that date. In order to bill eligible expenses to its CDBG grant beginning on January 1, the City must hold a 30-day public comment period on a draft Action Plan prior to January 1. To comply with this requirement, funding allocations are made to the Consolidated Plan goals based on estimated CDBG, HOME, and ESG grant amounts, and any CDBG and HOME program income received to date. The draft Action Plan is posted by mid-November for the required 30-day comment period, and is reviewed and discussed at a meeting of the Housing and Community Development Committee that oversees the City's Consolidated Planning process. The Housing and Community Development Committee holds a meeting at which members of the public are invited to provide comments on the draft Action Plan, generally at the close of the public comment period in mid-December. The Committee then votes to approve the draft Action Plan, and recommend its approval to City Council following the receipt of its grant amounts and review and approval of any amendments needed based on actual funding. Funding for City Public Facilities/Infrastructure and Housing projects and programs may be made at this time and approved by the Housing and Community Development Committee as part of the draft Action Plan approval, subject to change based on the receipt of actual grant amounts.

The draft Action Plan is updated to reflect actual CDBG, HOME and ESG grant amounts following their release by HUD. CDBG, HOME and ESG entitlement grant funding, as well as prior year program income, is allocated to Goals in the final Action Plan and submitted to City Council for approval before being submitted to HUD. If the changes result in a substantial amendment to the draft Action Plan, a second 30-day comment period and public meeting are held before it is submitted to City Council for approval.

A substantial amendment to the Action Plan is defined in the CPP as:

- A change in funding among the Goals used in the development of the plan (AP-20) that is greater than 20% of the total allocated towards the Goal
- The deletion of a Goal included in the plan
- The addition of a Goal not currently included in the plan

Any changes to the Action Plan following receipt of the City's entitlement grant amounts that increase or decrease funding for a goal by less than 20% shall be considered "non-substantial" and may be approved by the Housing and Community Development Committee or Social Services Committee as appropriate, based on the program affected. These changes would not trigger a second public comment period.

CDBG funding allocations to external partners are made using a RFP and review process by the Housing and Community Development Committee or Social Services Committee; these are generally held after the City receives its entitlement grant amount. Applications may also be considered on a rolling basis to address emerging or changing needs arising from an emergency such as the COVID-19 pandemic, or to more effectively coordinate with or leverage other sources of funding. HOME funding is allocated to specific projects or activities on a rolling basis for the same reasons. All ESG funds are generally allocated to specific agencies for eligible activities shortly after the release of funding in order to meet the deadlines for committing and expending funds. Recommendations from the Housing and Community Development Committee go directly to the City Council. Recommendations from the Social Services Committee generally go to the Human Services Committee, a standing committee of the City Council, and then to City Council; they may also go first to the Planning and Development or Administration and Public Works Committees before going to City Council in the event that a Human Services Committee meeting is canceled, or to expedite approvals.

CARES Act Funding Allocation Process

To expedite access to funding and provide relief to residents, City staff developed the substantial amendment for CARES Act funding based on the needs identified through the assessment process described above. This enables the City to submit its substantial amendment before the detailed regulations for CDBG-CV and ESG-CV are released. It also allows greater flexibility to prevent, prepare for, and respond to the coronavirus by addressing needs that will likely arise in the months ahead. Funding allocations to specific activities will be made on a rolling basis to target needs that are not being addressed through other CARES Act funding and potential duplication of benefits. This process is similar to how HOME and ESG funds are allocated to one or more goals in the annual Action Plan rather than the annual application process used for CDBG entitlement which uses an open application process and allocations are made to specific activities to develop the Action Plan. Funding allocations for specific activities will be reviewed and approved by the City Council prior to implementation. City Council may delegate authority to approve funding allocations for specific activities to the Housing and Community Development Committee, Social Services Committee, Economic Development Committee, or other boards, committees or commissions that have been formed by the City to oversee the type of activities being funded on behalf of City Council. Any such action will be approved by City Council at a public meeting that provides members of the public the

opportunity to provide input on the action. Information on the proposed action will be included in the agenda and packet for the meeting that is posted at least 48 hours in advance, in compliance with the Open Meetings Act.

Public Outreach

The City uses multiple communications channels to inform residents about the Consolidated Planning process and engage them in its development, approval and assessment. The following outreach efforts may be taken as appropriate to provide citizen access to the Consolidated Planning process. Failure to use any one of these shall not be considered a violation of this Plan.

- Notices of all public comment periods and public hearings are published in a paper of general circulation, on the homepage of the City website, on the City's social media accounts (Facebook, Twitter, etc.), and via the City's e-newsletter that goes to over 45,000 emails prior to the opening of the public comment period. The notice includes the dates of the comment period; the date, time and location of the public hearing.
- Notices of public meetings are sent to the media for all public meetings in accordance with the Illinois Open Meetings Act and posted on bulletin boards in the Lorraine H. Morton Civic Center. Meeting agendas, packets and minutes are posted online for public review at www.cityofevanston.org.
- Email notification is sent to community organizations and individuals who request to receive information about meeting dates, agendas, funding application and allocation schedules, and other information.

Access to Information

The City of Evanston Consolidated Plan, including this CPP, Annual Action Plans, any Substantial Amendments to those plans, and Consolidated Annual Performance and Evaluation Reports are available online at www.cityofevanston.org. The City website may be translated into 150 different languages using Google Translate. In addition, the Consolidated Plan, Action Plans and CAPERs are available in print format for public review during regular working hours at:

Community Development Department
Lorraine H. Morton Civic Center
2100 Ridge Ave, 3rd Floor
Evanston, IL 60201
847-448-4311

This information shall be provided in a format accessible to persons with disabilities, upon adequate notice. Requests for additional information may be made to the Community Development Department at the address and phone listed above. A response shall be provided within 15 working days of receipt of the request, where practicable. If printed copies are requested, photocopier charges and miscellaneous charges for other related services and materials will be assessed in accordance with the City's Freedom Of Information Act policy.

Comments/Complaints

City of Evanston

Citizen Participation Plan

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Any complaints relating to the Consolidated Plan, Action Plan or CAPER received in writing will receive a written response within 15 working days. The following points are used as guidance in responding to complaints:

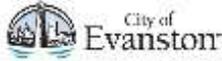
- Stated needs and objectives are inconsistent with available and reliable data
- Stated projects are inappropriate for meeting needs and approved objectives
- Consolidated Plan does not comply with regulations for the Community Development Block Grant, HOME Investment Partnerships or Emergency Shelter grants programs.

Displacement

The City of Evanston will make every effort to minimize the displacement of persons as a direct result of the implementation of projects funded by its HUD entitlement grant programs. If displacement does occur, the City will follow all applicable federal regulations to alleviate the impact of such permanent and involuntary relocations.

Section 108 Loan Guarantee

The City of Evanston intends to apply for a Section 108 Loan Guarantee, authorized under HUD regulation 24 CFR Part 570, Subpart M, in the form of a Pooled Fund. If received, the Section 108 Program will be subject to all provisions set forth within this Citizen Participation Plan. Applications for Section 108 loan guarantee assistance may be included as part of the process for obtaining CDBG or HOME Entitlement funds, or may be undertaken separately anytime during the program year. The required public hearing to inform citizens of uses of funds will be carried out by the City's Economic Development Division or Community Development Department staff.



Sarah Flax <sflax@cityofevanston.org>

Citizen Participation Plan

1 message

Jane Grover <blanchgrov@comcast.net>
To: Sarah Flax <sflax@cityofevanston.org>

Wed, Nov 17, 2021 at 11:39 AM

Morning, Sarah! Sad to see the garden season ending.

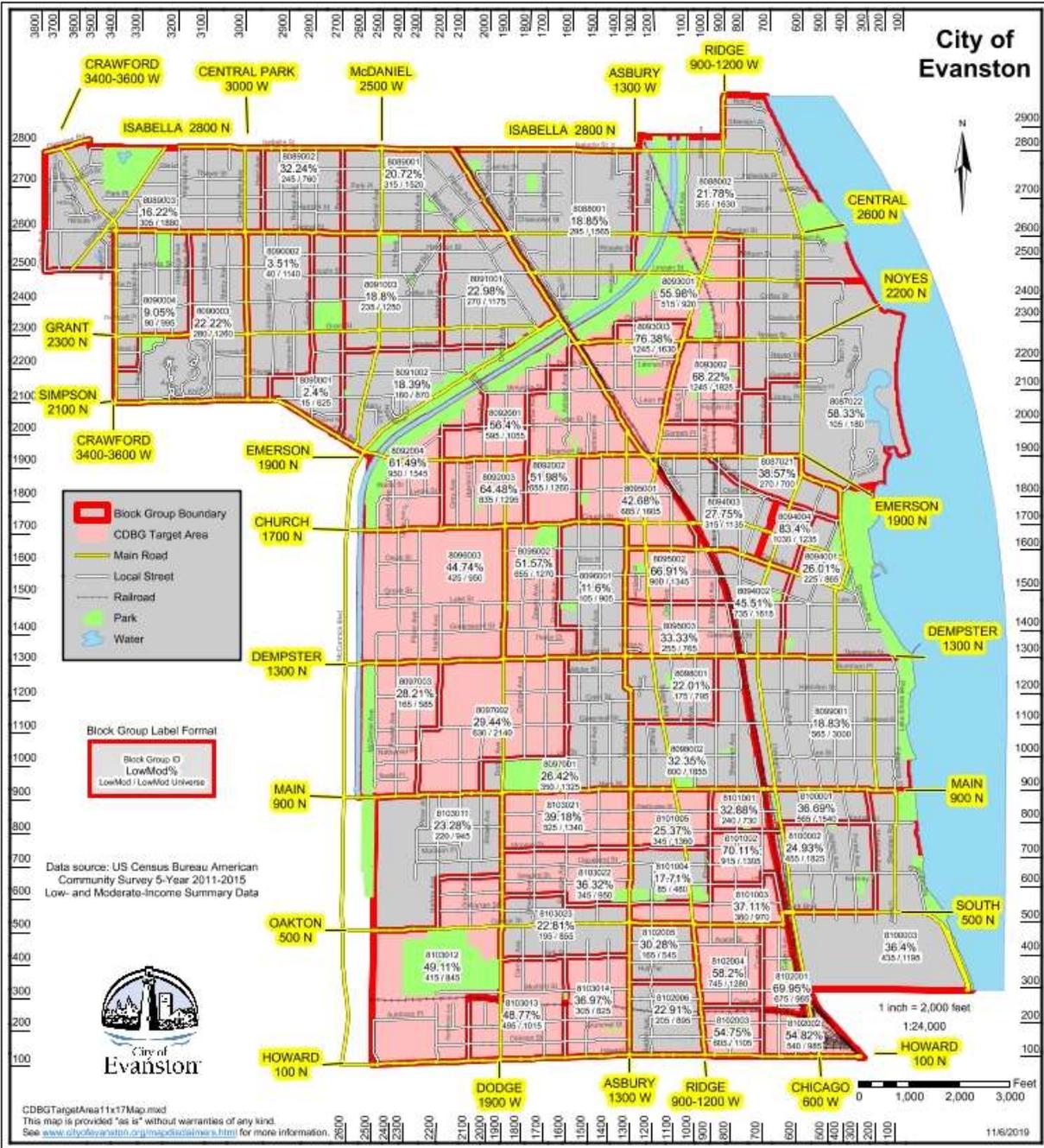
I saw the city's notice about comments on the Citizen Participation Plan. Just a note that it should be called a "Public Participation Plan" or "Community Participation Plan", as not all those who would participate are citizens. Residents could be part of it, notwithstanding their citizenship status. An equity angle on this.

Thanks.

Jane

Jane Grover (she/her)
847-902-7465 m
Tw: @janegrover

CDBG Target Area



Low/Moderate Income Census Block Groups



City of Evanston
Emergency Solutions Grant Program (ESG)
Policies and Procedures Manual

I. Overview

The Emergency Shelter Grant program provides funding for a broad range of activities that addresses the needs of people who are homeless or at risk of homelessness. ESG was one of 20 programs established by the Stewart B. McKinney Vento Homeless Act of 1987 (P.L. 100-77), the Nation's first comprehensive response to homelessness. The City of Evanston has received ESG funds since 1989.

In 2009, Congress approved the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act to better coordinate resources and address the growing problem of homelessness. The implementation of HEARTH includes changing the Emergency Shelter Grant to the Emergency Solutions Grant to include eligible activities based on the ARRA-funded Homelessness Prevention and Rapid Re-housing Program (HPRP).

The Emergency Solutions Grant Interim Rule regulations which took effect in 2012 direct entitlement communities to use funding for primarily re-housing and homeless prevention activities, following the "housing first" strategy of the HEARTH Act. The name change from the Emergency Shelter to the Emergency *Solutions* Grant highlights the focus on permanent housing rather than short-term shelters. Re-housing for people who are homeless is strongly prioritized. HUD adopted 24 CFR 91 and 24 CFR 578 establishing the definition of "chronically homeless" to be used by all recipients, subrecipients, and Continuum of Care Program participants, beginning January 15, 2016. This rule focuses on households and individuals with the longest histories of homelessness and who may also have the highest need. The new rule also establishes procedures for documenting homelessness and maintaining records. Under the current ESG regulations, funds may be used for the Homeless Management and Information System (HMIS), use of which is now required for all ESG-funded services by all service providers (excluding domestic violence shelters) to ensure consistency of data points and reduce duplication of services among providers.

Evanston receives ESG funds based on the needs of its residents and its goal is to provide housing and services in Evanston to the greatest extent possible. At present, all shelters and essential services funded with ESG are located in Evanston. Prevention funds are limited to eligible households living in Evanston. In order to be eligible for Re-housing funding, an individual or household's last permanent address must be in Evanston or they are residing in a homeless shelter in Evanston. Due to the shortage of affordable housing in Evanston, particularly larger units, a household eligible for Re-housing may choose rental housing located outside of Evanston's boundaries if no appropriate rental housing is identified in Evanston. Clients must continue to meet with their case manager and fulfill requirements of their case plan for the period in which rental assistance is provided.

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Below is a brief listing of eligible expenses by category. Additionally, Evanston continues to work with the Alliance to End Homelessness in Suburban Cook County. The City incorporates policies and procedures established in partnership with the Alliance. Included is the Coordinated Entry Protocol for Suburban Cook County.

Homeless Management Information System (HMIS)

Funds may be used for staff salaries and benefits for HMIS management, HMIS licenses and computer security assessments.

Emergency Shelter Operational Costs

Funds may be used for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food, furnishings and costs of staff.

Street Outreach

Funds may be used for services relating to employment, health, drug abuse, and education and may include (but are not limited to):

1. Assistance in obtaining permanent housing
2. Medical and psychological counseling and supervision
3. Employment counseling, job placement and job training
4. Nutritional counseling
5. Substance abuse treatment and counseling
6. Assistance in obtaining other Federal, State and local benefits such as mental health benefits; employment counseling; medical assistance; Veteran's benefits; SSI/SSDI, TANF, General Assistance, LINK/SNAP; etc.
7. Other services such as child care and transportation
8. Salaries of program staff to provide the above services

Rapid Re-housing

Funds may be used for Direct Tenant Based Rental and Utilities Assistance, Housing Relocation and Stabilization Services, and case management.

Homeless Prevention

Funds may be used for Direct Tenant Based Rental and Utilities Assistance, Housing Relocation and Stabilization Services, and case management.

II. Eligibility Criteria for Prevention and Re-housing Funds

The City of Evanston's ESG program policies and procedures are based on its HPRP policies and procedures, modified to include the HUD definition of Chronically Homeless as outlined in 24 CFR 91 and Part 576. Additionally, funded programs and services provide equal access for individuals in accordance with their gender identity. Households will be reviewed and approved for the program by the ESG Program Review Committee.

To receive **Rapid Re-Housing assistance**:

- A. Household must be homeless as defined under categories 1 or 4 of the homeless definition, §91.5
- B. Head(s) of household whose last permanent residence prior to becoming homeless was an Evanston address at which they resided for six or more months (exception may be made to this requirement for households fleeing domestic violence), or who have a child (children) enrolled in Dist. 65 or Dist. 202, or other Evanston based child care, or who are currently employed in Evanston
- C. The household must have undergone at least an initial consultation and eligibility assessment with a case manager or other authorized representative who is responsible for determining eligibility and the type and level of assistance needed
- D. Based on assessment at intake, household has likelihood of maintaining housing and becoming self-sustaining following the receipt of assistance estimated at 12 months, but could be for a shorter (3 – 6 month) period
- E. Head(s) of household must agree to follow the case management plan developed working with the case manager
- F. Head(s) of household must agree to meet with the designated case manager at least once per month while receiving assistance, including at least one home visit
- G. Head(s) of household must agree to follow-up contact at specified intervals following receipt of assistance. The City is working with the Alliance and ESG subrecipients to determine the most effective timing of follow-up contacts.

To receive **Prevention assistance:**

- A. Household must be at risk of becoming homeless under category 2 of the homeless definition
- B. Households must have an income below 30% of the Area Median Income (AMI) at initial assessment
- C. Head(s) of household must be an Evanston resident of six months or more, or who have a child (children) enrolled in Dist. 65 or Dist. 202, or other Evanston based child care, or who are currently employed in Evanston
- D. The household must have undergone at least an initial consultation and eligibility assessment with a case manager or other authorized representative who is responsible for determining eligibility and the type and level of assistance needed
- E. Based on assessment at intake, household has likelihood of maintaining housing and becoming self-sustaining following the receipt of medium-term assistance
- F. Household income must be reassessed at 3-month intervals and remain under 30% of AMI to continue to receive Prevention assistance
- G. Head(s) of household must agree to follow the case management plan developed working with the case manager
- H. Head(s) of household must agree to meet with the designated case manager at least once per month while receiving assistance, including at least one home visit
- I. Head(s) of household must agree to follow-up contact at specified intervals following receipt of assistance. The City is working with the Alliance and ESG subrecipients to determine the most effective timing of follow-up contacts.

III. Standards for targeting and providing essential services related to street outreach

Street outreach takes place in locations in Evanston where homeless are known to be, such as soup kitchens, churches, hospitals, police departments, libraries and other locations. Case managers engage with eligible people to educate them about housing and supportive services options available. Referrals to services can also come from the Homeless Hotline for the northern suburbs of Cook County. Callers are screened to assess needs and directed to available services in the area. This includes scheduling callers for intake into local housing programs.

Referral

Clients are given referrals to mainstream services based on needs; common referral and case management services provided below.

Available Essential Services

Case Management services:

1. Obtaining ID
2. Applying for benefits, GA, SSI, SSDI, veterans benefits, SNAP, Section 8 housing vouchers, VASH vouchers
3. Locating housing
4. Applying for housing assistance: IDHS Prevention funds and City of Evanston ESG
5. Applying for Medicaid
6. Creating an individual service plan with goals and implementation steps and timeframes

Health Care services:

1. Physical
2. Vaccinations
3. Psycho-social assessment
4. Psychiatric evaluation and prescription of medication
5. Monitoring medication
6. Health education
7. Establishing a primary health care provider and physician.
8. Creating a coordinated care plan.

Employment services:

1. One-on-one counseling
2. Job clubs
3. Assistance with resumes
4. Job readiness training programs
5. Job referrals

Education services:

1. TABE (Test of Adult Basic Education) testing
2. Career counseling
3. Remedial education/GED

4. Assistance in applying for training programs or education programs
5. Tutoring
6. Tuition assistance

Discharge

Providers use a harm reduction and trauma-informed model for services. The philosophy of *harm reduction* promotes and supports the right of people who use substances and engage in other risky behaviors to be treated with dignity and respect, including their right to exercise self-determination related to use and their right to expect and receive collaboration in therapeutic relationships. *Trauma-Informed Systems* are those in which all components of a given service system have been reconsidered and evaluated in light of a basic understanding of the role that violence plays in the lives of people seeking mental health and addictions services.

IV. Emergency Shelter: Admission, Diversion, Referral, and Discharge Policies

The City supports emergency shelters with ESG and local funds. Shelters ensure equal access to individuals in accordance with their gender identity. The YWCA Evanston-North Shore provides shelter for up to 90 days for victims of domestic violence. Connections for the Homeless provides shelter for up to one year for single adults and families.

Shelter Admission, Diversion, Referral and Discharge Policies:

Admission

Open to any homeless individual over the age of 17.

- Must be able to function in a congregate setting
- Cannot be disruptive

Individuals seeking admittance go through an intake process that requires an interview with case managers. Case managers review the application and approved clients may move in the following day, or as scheduled based on availability.

Diversion & Referral

Clients who are turned away from the shelter are referred to the nearest shelter and provided with transit/bus fare to get there.

Discharge

Clients may be discharged for three reasons.

1. They have stayed the maximum number of nights.
2. They have completed their case plan, found housing, and moved out.
3. They can be discharged for cause, which includes:
 - a. Violent behavior that is a danger to others or to themselves;
 - b. Persistent no shows for their shelter bed without an acceptable explanation;
 - c. Persistent violation of the curfew causing a disturbance in the shelter.

YWCA Evanston-North Shore Domestic Violence Shelter Admission, Diversion, Referral and Discharge Policies:

Admission

Admissions are done over the 24-hour crisis hotline.

- Client must be a victim of domestic violence

Diversion & Referral

Clients who are turned away from the shelter because it is full are referred to the Illinois Help Line (877-863-6338). Clients that call the YWCA hotline and are suicidal are referred to the nearest hospital for assessment before intake can proceed.

Discharge

Clients can be discharged for the following reasons.

1. Violence
2. Safety violations
3. Drug or alcohol use
4. Repeated failure to follow the rules

In all cases, clients are assisted in finding an alternative shelter and given bus, train or cab fare to travel.

V. Coordination

The City of Evanston continues to work with the Alliance to End Homelessness in Suburban Cook County ("The Alliance"), local agencies that serve the homeless and people at risk of homelessness, and other advocacy organizations to develop and maintain policies and procedures to coordinate provision of emergency shelter, street outreach, homeless prevention and rapid re-housing assistance, mainstream and other services and housing providers. Connections, the primary recipient of City of Evanston ESG funds participates very closely with the Alliance on many levels. Connections is a member of the Alliance and participates in its north council, known as AHAND. Connections staff participates in the HMIS Committee meeting, the monthly Prevention Committee and the Coordinated Entry Committee, which each meet monthly. The City's Grants and Compliance Specialists is a member of the Coordinated Entry Committee. Participation across the Board and committees help to ensure clear communication of goals and priorities and decrease redundancies as they relate to ESG funding.

Coordination among ESG recipients is facilitated through the use of HMIS and the Universal Intake and Eligibility Form developed by the Alliance. This is an important component to a more coordinated process for intake and will help determine targeting and prioritization for services. In compliance with HUD requirements, all funded programs participate in the coordinated entry process known as Entry Point. Entry Point is the Coordinated Entry System for Suburban Cook County Continuum of Care (CoC). The purpose of Entry Point is to ensure that all people experiencing homelessness have fair and equal access to housing, regardless of race, color, national origin, religion, gender, age, familial status, disability, actual or perceived sexual orientation, gender identify, or marital status. The intake process has been standardized and a by-name vulnerability list for the region, which is maintained by the Alliance as the Entry Point Lead Agency, has been employed to prioritize the most vulnerable for the most intensive

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housing interventions. This process is used to match individuals to Permanent Supportive Housing and Rapid Re-Housing supports. The City of Evanston continues to work with local partners to provide all other services to our at-risk population.

VI. Prioritization

The City recognizes that the demand is greater than available resources to provide essential services, emergency shelter, prevention and re-housing that meet all needs. The City and Alliance also recognize that individuals and households must be prioritized to ensure that these limited resources available are allocated in the most efficient and appropriate manner. As stated above, the City of Evanston and the Alliance continue to refine policies and procedures to assess, prioritize and reassess the needs of all individuals and households participating in ESG-funded services, including essential services for those in emergency shelter, rapid re-housing and homelessness prevention activities.

Assessment tools and protocols, in use by all agencies receiving ESG, CoC and other homeless program funding within the Continuum, conform to the requirements established by the Alliance, ESG recipients and City of Evanston. These tools and protocols create consistency in assessments, and provide the basis for appropriate agency referrals, and for targeting and prioritization by program. All ESG subrecipients use this system to help identify immediate needs of participants: emergency shelter, homelessness prevention resources, diversion and stabilization services, or referral to specialized services to determine the individual or family need for emergency shelter or other ESG-funded assistance. Individuals and families in need can undergo the pre-screen over the phone or in person.

Street outreach and emergency shelter are intended to be low-barrier, and the prioritization work focuses on getting people the right housing intervention as needed, not on deciding who gets access to shelter or outreach services. Approximately half of seasonal shelter guests served in suburban Cook County stay 7 shelter nights or fewer, so the Alliance will focus on persons who spend longer in shelter when assessing them for a potential housing intervention.

The Alliance manages a central, by-name vulnerable list for the region, maintained within HMIS. Connections also uses HMIS; clients are prioritized by vulnerability factors, and subpopulations are ranked by different factors including, but not limited to: length of time homeless, lack of access to family and/or community support, and number of previous homeless episodes.

The City's Health and Human Services Department is responsible for administering General Assistance funds. There is a large overlap of populations served by both General Assistance and ESG, and staff will be working to ensure funds are spent in the most efficient manner.

Essential services for clients in emergency shelter: ESG funding may be used to provide essential services to individuals and families who are in an emergency shelter. This may include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

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ESG subrecipients are responsible for assessing an individual or family's initial need for shelter and must reassess that need on an ongoing basis to ensure that only those with the greatest need receive ESG-funded emergency shelter assistance. Shelters that serve families must serve all eligible families. Individuals may not be separated from other members of their household.

Rapid Re-Housing: Homeless households whose last permanent address was in Evanston, who resided there for a minimum of six months, and who demonstrate potential to retain permanent housing following a medium-term subsidy of up to six months are eligible for ESG Re-housing.

Risk factors for Rapid Re-housing assistance include, but are not limited to:

- Individuals/Households who lack a fixed, regular, and adequate nighttime residence, meaning:
 - Primary nighttime residence is a public or private place not meant for human habitation; or
 - Living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
 - Exiting an institution where (s)he has resided for 90 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
- Any individual or family who:
 - Is fleeing, or is attempting to flee, domestic violence;
 - Has no other residence; and
 - Lacks the resources or support networks to obtain other permanent housing

Prevention: Evanston households with incomes under 30% of area median that have potential of remaining stably housed following a medium-term subsidy will be targeted for Prevention. Risk factors for Prevention assistance include but are not limited to:

- Individual or family at imminent risk of losing their primary nighttime residence:
 - Residence will be lost within 21 days after the date of application for Prevention assistance;
 - No subsequent residence has been identified; and
 - The individual or family lacks the resources or support networks needed to obtain other permanent housing
- Unaccompanied youth under 25 years of age, or families with children and youth who do not otherwise qualify as homeless under this definition, but who:
 - Are defined as homeless under the other listed federal statutes;
 - Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
 - Have experienced persistent instability as measured by two moves or more in the preceding 60 days; and
 - Can be expected to continue in such status for an extended period of time due to special needs or barriers

- An individual or family who:
 - Has an annual income below 30% of median household income for the area based on HUD Part 5 definition; and
 - Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; and
 - Meets one of the following conditions:
 - Has moved two or more times because of economic reasons during the 60 days immediately preceding the application for assistance; OR
 - Is living in the home of another because of economic hardship; OR
 - Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance; OR
 - Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
 - Lives in an SRO or efficiency apartment unit in which more than 2 persons reside or in a larger housing unit in which more than one and a half persons per room reside; OR
 - Is exiting a publicly funded institution or system of care; OR
 - Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved Consolidated Plan
- A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
- An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

VII. Minimum Standards for Permanent Housing

ESG subsidized housing must meet the minimum habitability standards under 24 CFR §576.403(c). This restriction applies to all activities under the Homelessness Prevention and Rapid Re-Housing components, including rental assistance and housing relocation and stabilizations services. In addition:

- If an eligible household needs homeless prevention assistance to remain in its existing unit, the assistance can only be provided if that unit meets the minimum standard.
- If an eligible household needs homeless prevention or rapid re-housing assistance to move to a new unit, the assistance can only be provided if the new unit meets the minimum standards. The unit the household is leaving does not need to be inspected.
- All units must be inspected prior to entering into a lease agreement and prior to occupancy.
- The housing must also comply with any other standards established by the City that exceed or add to these minimum standards.

The same standards apply regardless of the amount of ESG funds involved. For example, the unit must be inspected and confirmed that it meets the ESG minimum habitability standards, even if the only ESG assistance provided is for a security deposit or moving assistance. The Subrecipient is required to document compliance with ESG habitability standards in the program participant's file.

Homelessness Prevention

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Homelessness Prevention component to help a program participant remain in or move into permanent housing, the ESG minimum habitability standards apply to either the current unit (if the program participant is staying in place) or to a new unit (if the program participant is moving). Even if only a minimal amount of Housing Relocation and Stabilization Services assistance – such as utility arrears/payments (Financial Assistance) or housing stability case management (Services) – is provided under the Homelessness Prevention component to assist a program participant to stay in their unit, the habitability standards apply to the unit and must be documented in the program participant's file.

If the program participants need Homeless Prevention assistance to stay in their current housing, the housing must be inspected and found to meet the minimum habitability standards before the subrecipient incurs ESG costs for any of the following:

- Providing any service to the program participant;
- Entering into a rental assistance agreement with the owner; or
- Making any payment on behalf of the program participant (e.g., rental or utility arrears, rental or utility payments, etc.)

Rapid Re-Housing

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Rapid Re-housing component to help a program participant move into a new permanent housing unit, the habitability standard apply to the unit into which they are moving and must be documented in the program participant's file. If Rapid Re-housing services are being provided before a unit has been identified, no habitability inspection is required until there is a unit to be inspected. If assistance with arrears for a prior unit is needed as part of the rapid re-housing assistance, no habitability inspection is required for the old unit on which the arrears are owed, so long as the program participant will be rapidly re-housed in a different unit.

If the program participant needs Homeless Prevention or Rapid Re-housing assistance to obtain housing, the unit into which the program participant is moving must be inspected before the program participant signs the lease and before the subrecipient provides any ESG rental assistance or housing relocation and stabilization services specific to the unit into which the program participant will be moving. One exception to this is the rental application fee. If a program participant applies for several units, only the unit into which they ultimately decide to move must be inspected.

VIII. Inspections

Inspections of any unit supported with leasing or rental assistance funds are required to ensure that the unit meets ESG program requirements for habitability, lead based paint, and rent reasonableness, before any assistance can be provided on behalf of a program participant. When the unit is located in Evanston, Subrecipient must request and coordinate inspections with the City's Property Standards Department. If the unit is not located in Evanston, Subrecipient is responsible for coordinating inspections with a comparable property review entity.

During a nationally declared disaster or locally declared disaster as defined by local health officials (such as COVID-19), City inspectors will have the ability and authority to perform virtual inspections in order to facilitate housing families and individuals in units that meet housing suitability requirements, provided that physical inspections occur within three months after it is declared by local health officials that special measures to mitigate damage caused by the disaster are no longer required.

IX. Rent and Utilities Subsidy

Each household's case will be reviewed by a case manager to assess its capacity to pay a portion of rent and utilities. A household's contribution to rent and/or utilities generally should not exceed 50% of the gross household income using the HUD Part 5 definition. Subsidies may be deep or shallow based on the unique circumstances of each recipient; the amount of subsidy will be reassessed each month. ESG funds may be used for rent and utilities arrearages on a one time basis, security and utility deposits, first and last month's rent and rent and utility subsidies as allowed. The City does not consider any funds for security deposits that are refunded as Program Income and does not expect the Subrecipient to return any such funds.

X. Length of Assistance

Evanston's ESG program can provide subsidies for up to 24 months including, but not to exceed 6 months of rent arrears; subsidies are generally estimated at up to \$2,430 per month for families with children and up to \$1,660 per month for single adults or couples. Case managers meet with clients monthly and practice progressive engagement, wherein households are engaged in case management services and given a basic level of financial support. Monthly monitoring and periodic budget assessments determine if and when the basic level of assistance should be changed or increased. The percent of subsidy paid is meant to decrease throughout the year as households move toward stability and are able to assume responsibility for paying full rent at the end of 12 months. Extending the potential timeframe for households beyond twelve months, with clients required to maintain compliance with their case plan in order to qualify for direct assistance, can help clients overcome the following challenges:

1. Households have not been able to maintain their housing independently following six months of assistance

2. Households remain rent burdened and are not able to achieve financial stability in Evanston's high rent market
3. Landlords are unwilling to write leases for clients based on their history of housing and financial instability.

All households will be re-evaluated at the end of the twelve month period if a subsidy is still required to maintain housing and extension of funding may be approved by the Program Review Committee based on need and the availability of funding. No client will receive more than 24 months of assistance in a three-year period.

XI. Type, amount, and duration of housing stabilization and/or relocation services

Housing relocation and/or relocation services provided to the participant will include basic case management. Housing search, placement, legal services, mediation, and credit repair may be a component to case management or referred out to other service providers.

XII. Client Application Process

A household may enter the ESG program through several avenues, including:

1. Referral from City or other sources including those outlined by the Alliance's Coordinated Entry Protocol
2. By contacting subrecipient(s) directly

After an initial intake screening has been conducted to determine program fit, a potential client will be referred to a case manager who will conduct a full intake application (including initial budget review). Once all information is gathered from the applicant the case manager will present the eligible case to the Program Review Committee. The Review Committee will meet monthly or as needed to review and approve applicants for assistance through ESG or for referral to other programs or sources. Once an applicant is approved for assistance, case managers will develop a case management plan for each client household. This plan may include referrals to other agencies for needed services (e.g., legal, financial literacy, etc.).

XIII. Eligibility Documentation and Recordkeeping

Subrecipients must establish written intake procedures that include a requirement for written documentation verifying eligibility for program services in accordance with the following preferred order of documentation:

Third-party Verification – source documents provided by an outside source.

Third party documentation is the preferable form of verification and includes but is not exclusive to a written statement or document from employer, landlord, public benefit worker, or agency service provider. Written verification sent directly to program staff or via the applicant is preferred.

Intake/Case Manager Worker Observation – documented by ESG staff.

Staff documentation may include oral statements made by a social worker, case manager, or other appropriate official at an institution, shelter, or other facility and documented by the program intake worker/case manager. When the Intake Worker is unable to obtain a written or oral statement from a shelter, institution or facility staff, the Intake Worker must document, in writing, their efforts to obtain eligibility documentation and must place their documentation in the client's file.

Applicant Self-certification – applicant signed document certifying eligibility.

Self-certification requires a written and signed document by the individual or head of household seeking assistance attesting to the eligibility facts for which they are certifying. A third party may be designated by an applicant to sign documents on their behalf when they are unable to do so. If needed, subrecipient must provide access to language interpretation services and assistive devices necessary for applicants to understand the documents they are certifying.

Self-certification documentation is only used when documented staff efforts verify that third-party or worker observation documentation is not available. However, lack of third-party documentation must not prevent an individual or household from being immediately admitted to emergency shelter, receiving street outreach services or immediately accessing domestic violence/victim service shelter and assistance.

Documentation of all client/applicant information must be available in client/applicant files or if kept electronically, available upon request. Documentation of all efforts to obtain higher preference of verification (3rd party and Intake Worker Observation) when lower forms of preference are used, must be in writing and kept in the client/applicant file.

XIV. Subrecipient Funding Agreements

A written agreement must be entered into between the City and each entity receiving ESG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement eligible activities. The agreement will denote the responsibilities attributed to each party, outline the scope of services to be performed, and methods of accountability. Subrecipient desk monitoring will take place at least quarterly and will include review of voucher information submitted for the duration of the grant. Site visits will be conducted periodically based on a risk analysis. Execution of the agreement binds the subrecipient for a specified period of time and may be revised only upon written authorization from the City.

XV. Fiscal Policies & Procedures

Subrecipients of ESG funds must ensure that they are in compliance with all applicable fiscal and administrative requirements issued by the City of Evanston and the federal government. When a subrecipient's financial policies and procedures are less restrictive, as part of the agreement, the agency agrees to adhere to the following:

- 2 CFR Part 200 Uniform Administrative Requirements, cost principles, and audit requirements for Federal Awards
- 24 CFR Part 576 – Emergency Solutions Grants Program

A. Board of Director Responsibilities

Upon execution of the agreement between the City and the subrecipient, the subrecipient shall:

1. Immediately report all changes in its articles of incorporation, bylaws, or tax-exempt status to the City.
2. Ensure no member of the Board of Directors is a paid employee, agent or subcontractor.
3. Continue to include representation on the Board of Directors, the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and, ideally, past users of the service or similar services.
4. Keep minutes of all regular and special meetings of the Board of Directors, have a regular meeting at least once a year, and upon request.

B. Administrative Oversight

Subrecipient Administrative/Program Staff responsibilities include:

- Ensure that all expenditures involving the use of federal funds are eligible under the federal and local requirements of the grant
- Approval of purchase orders and contracts to be reimbursed through HUD grant funds are coded properly
- Ensure compliance with all HUD regulations and City Grant Agreement
- Implementation of an internal control system

Subrecipient Financial Officer Responsibilities include:

The finance officer, accountant, or responsible agency representative is responsible for maintaining a computer accounting/bookkeeping system. The agency representative’s responsibilities include, but are not limited to:

- Control of accounting documents for processing by the subrecipient
- Preparation of financial reports based on accounting records
- Preparation of all records/reports submitted to the City as required prior to release of funds and subject to review by the agency’s Director
- Execution and oversight of all financial procedures designed to avoid or eliminate waste, fraud, or abuse of grant funds.

Internal Controls

Agencies receiving ESG funding shall have:

- Written Policies and Procedures that define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents.
- Written Accounting Procedures, including procedures for approving and recording transactions and regular reconciliation of records to check for completeness and accuracy.

A good internal control system should include several basic features, regardless of the organization's size. These include:

- An organization plan that safeguards resources by segregating duties;
- A system of authorization and recording procedures that provides effective accounting control over assets, liabilities, revenues, and expenses;
- An established system of procedures followed by each organizational component in performing its duties and functions;
- Personnel capable of performing their responsibilities; and
- An effective system of internal reviews.

The internal control requirements provide for the separation of duties and the secure storage of accounting records in limited access areas. In maintaining these accounting records a subrecipient should also ensure that:

- Journal Entries are properly approved and explained/supported
- Posting and trial balances are performed on a regular basis; and,
- Fidelity bond coverage is obtained for responsible officials of the organization.

IX. Recordkeeping

To ensure eligibility of costs, subrecipient files shall include copies of:

- Funding approval by City Council
- Agreement with the City
- Procurement and Bid information
- Contracts with vendors
- Up to date budget (including copies of budget change requests)
- Expenditure and payment information including supporting documentation
- Characteristics and location of clients served
- Program status and quarterly progress reports
- Audits and financial information
- Monitoring reports
- Other relevant correspondence

Record Retention Policy

All ESG files must be maintained for a minimum of five years after the City's grant year closes out with HUD (which may be several years after an individual subrecipient's grant closeout). The City of Evanston will regularly alert subrecipients when a grant year has been closed out, but they should expect to retain records at least ten (10) years from execution of their subrecipient agreement.

Access to Records

HUD, City of Evanston staff, the Inspector General of The United States or any of their duly authorized representatives have the right to access subrecipient agency program records. All ESG grantees are required to provide citizens with reasonable access to records regarding the

current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality.

Information may be provided using aggregate statistics. All clients may be lumped into categories, but no personally identifiable information (PII) may be released. For example, a report may state: 150 clients served this quarter, 60 White, 60 Black/African-American, 15 Native American, 15 Asian. Of those clients, 25 were female head of household, 100 were very low income, and 50 were moderate income.

Accounting Records

Financial record keeping is one of the primary areas subject to reviews and one which, if inadequate, can lead to findings and the possible recapture of funds. Accounting systems shall provide reliable, complete, and up to date information about sources and uses of funds.

These are the financial information and records that must be maintained by the agency:

- A computer accounting system that records the source of income and categorizes expenses for grant activity
- Written accounting procedures, chart of accounts, written internal controls, administrative controls, accounting journals and ledgers;
- Payment requests and source documentation (bills, receipts, copies or canceled checks, etc.);
- Comparison of actual checks written with budgeted amounts for each grant;
- Written procedures for determining what is reasonable and allowable under OMB circulars for costs and activities;
- Procurement files (bids, contracts, etc.) and real property inventory;
- Bank account and payroll records; and
- Financial statements, correspondence and audit files.

Records pertaining to ESG activities shall be kept separately. A separate fund should be kept for all grant income and expenses.

Maintenance of Records

Subrecipients are required to have accounting records that adequately identify the source and application of ESG funds provided to them. To meet this requirement, a subrecipient's accounting system should include the following elements:

- *Chart of Accounts* – This is a list of names and the numbering system for the individual accounts that contains the basic information about particular classification of financial transactions for the organization. Any ESG award must have a unique number identifying it as a source of income. Line Item Expenditures and Line Item Funding Items must be associated with income and expense items identified in the Agency's Chart of Accounts as provided in the application for funding.
- *Cash Receipts Journal* – This journal documents (in chronological order) when funds were received, in what amounts, and from what sources. Each entry in the journal states the name of the individual accounts to be debited and credited, the dollar amount of

each debit and credit, the date of the transaction, and any other necessary explanation of the transaction.

- *Cash Disbursement Journal* – This journal documents the expenditures of the organization in chronological order.
- *Payroll Journal* – This journal documents the organization’s expenses on salaries and benefits, and distinguishes different categories for regulatory purposes.
- *General Ledger* – After a transaction is entered into a journal, that information also should be transferred to the proper accounts in the general ledger. The process of transferring transaction information from a journal to a ledger is known as “posting”. The entries in the journal and ledger should be cross-indexed to permit the tracing of any recorded transaction.
- *Payroll Records* – The largest component of direct cost associated with most awards received by nonprofit organizations is labor. Personnel activity reports or equivalent documentation must meet certain standards. Reports must reflect a determination of the actual activity of each employee, the number of hours spent working on the program and the number of hours spent working with Evanston residents. Time and activity tracking is required of all employees whose salaries are paid in full or in part with ESG funds; funds may only be used to reimburse eligible activities which benefit primarily low and moderate income persons.

Source Documentation

All accounting records must be supported by source documentation. This is necessary to show that the costs charged against ESG funds were incurred during the effective period of the subrecipient’s agreement with the City, were actually paid out, were expended on allowable items, and had been approved by the responsible officials in the subrecipient organization. The source documentation must explain the basis of the costs incurred, as well as show the actual dates and amount of expenditures. Source documents should be included with all voucher requests.

Source documents, such as invoices or time cards, should provide all details of each transaction or activity. Additionally source documents must be readily accessible during monitoring visits. A variety of source documents and records are needed to properly account for grant transactions. These documents include, but are not limited to the following:

- Invoices – originals should be marked paid and dated
- Timesheets – signed by the employee and immediate supervisor
- Service Contracts – all grant funded service contracts must be a written agreement between the subrecipient and the firm/individual.

XVI. Agency Compensation

Agencies providing ESG eligible services may request reimbursement once funds are spent. Funds may be requested as frequently as once a month, but in no case less than once a quarter. A draw down request form must be submitted along with a match report and source documents for all expenses, including time and activity tracking for staff costs. No funds will be disbursed

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until all required reports and substantiating documentation are submitted.

XVII. Reporting/Data Collection

Performance Standards: The following are preliminary performance standards established by the Suburban Cook County Continuum of Care to measure the goals of reducing and eliminating homelessness.

- Engagement rate: the percent of persons exiting shelter where the destination is known
- Percent of persons exiting shelter who used 30 shelter-nights or fewer
- Percent exited to permanent housing, for each component type (shelter, HP, RRH)
- Follow up on housing status at 6 month following the end of assistance

Reporting requirements for ESG have not been finalized. Once requirements are established, the City of Evanston will work with Subrecipients to establish compliance.

Case Management Requirements

Case managers will be expected to:

- Conduct an initial intake
- Complete full application with client
- Collect and store verification documents
- Maintain confidentiality as described in the subrecipient agreement for a period of four (4) years following the termination of said agreement.
- Participate in the ESG Program Review Committee, as appropriate
- Assess client needs and coordinate/facilitate the case management service plan
- Follow up with each client to gauge compliance with case management service plan
- Keep case notes for each household served
- Input client level data into HMIS. It is recommended that information be input into HMIS immediately following client contact or service provision.
- Meet with the client(s) at least once a month
- Conduct a home visit at least once during the period of time in which a household is receiving direct assistance
- After their exit from the ESG program, households are able to re-engage in case management if they are still in need of assistance.

All clients should, in addition to the initial case management budget session, receive budgeting help as part of case management or be referred to an approved budget counseling program, such as Money Management International (workshop or telephone consult) or the YWCA Evanston/North Shore (workshop).

Although assistance may be approved for up to six months, case managers may recommend early termination of assistance if it is determined that a household requires less assistance. Assistance must be terminated for any Prevention client whose income equals or exceeds 30% of AMI at their three month evaluation. Either lack of compliance with their case management

plan or if information provided in the initial application was false constitutes grounds for immediate termination of assistance.

XVIII. Lead-Based Paint Requirements

Federal lead-based paint requirements apply any time federal funds are used for housing assistance and the living space or unity was built prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing, then the requirements do apply) or any 0-bedroom dwelling. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R apply to all shelters assisted with ESG funding and all housing occupied by program participants.

The following subparts of HUD's implementing regulations at 24 CFR part 35 include:

Subpart A – Lead disclosure rule

Subpart B – General requirements

Subpart H – Project-based assistance

Subpart J – Rehabilitation

Subpart K – Acquisition, leasing, support services, or operation

Subpart M – Tenant-based rental assistance

Subpart R – Methods and standards for hazard evaluation and reduction

Subrecipient must provide the lead hazard information pamphlet to any resident who will be residing in a unit built before 1978. The tenant must receive the pamphlet before moving into the unit. If subrecipient can document that the tenant received the pamphlet previously, subrecipient is not required to provide it again.

For units older than 1978 which will house one or more children under the age of 6, landlord and tenant must complete a Lead-Based Paint Disclosure form (see OHCS website for sample form). The form describes any known current or previous lead-based paint hazards, and documents tenant's receipt of records and the lead hazard information pamphlet. Additionally, a visual lead-based paint assessment must be completed by a person trained in this inspection process. The inspection may be completed in conjunction with the habitability inspection if the inspector is qualified. At Intake, it should be noted on the Application Form if there will be any child in the household younger than 6 years. This information should be provided to the habitability inspector prior to their examination of the proposed rental unit.

If a notification is received from a public health department or other medical health care provider that a child of less than 6 years of age living in a unit funded by ESG rental assistance, has an elevated blood lead level, an environmental investigation of the dwelling unity and common areas servicing the dwelling unit in which the child lived, regardless of whether the child is still living in the dwelling. For more information, see 24 CFR 35.730 and 35.1225.

Essential service activities, such as counseling, case management, street outreach, referrals to employment, etc., are exempt and excluded from the lead-based paint inspection requirements.

COVID-19 Waivers

The City requested use of the following waivers:

The HUD Notice: CPD-22-09 issued June 15, 2022

- g. ESG - Durational Limits on Housing Relocation and Stabilization Services
- h. ESG - 24-Month Limit on Rental Assistance
- i. ESG - Restriction of Rental Assistance to Units with Rent at or Below FMR

The HUD Notice: CPD-21-08 titled Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act

- 9. ESG: Homeless Definition - Temporary Stays in Institutions of 90 Days or Less
- 10. ESG: Assisting Program Participants with Subleases
- 11. ESG: Helping Current Program Participants Maintain Housing - Housing Relocation and Stabilization Services
- 12. ESG: Helping Current Program Participants Maintain Housing - Rental Assistance
- 13. ESG: Restriction of Rental Assistance to Units with Rent at or Below FMR

The waiver identified in the memorandum dated March 31, 2021, Subject: Availability of Additional Waivers for Community Planning and Development (CPD) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19. Specifically, the Homeless Definition - Temporary Stays in Institutions of 90 Days or Less waiver made available with respect to all ESG grants, whether funded under the CARES Act or annual ESG appropriations.

ESG Program - Housing Stability Case Management waiver and identify Evanston, Illinois as the declared disaster area where the waiver will be used beginning Monday, June 8, 2020

The HUD Notice: CPD-20-08 titled Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act beginning Monday, April 27, 2020:

- 8. Consolidated Planning Requirements – HOME, CDBG, HTF, ESG, and HOPWA Programs – Citizen Participation Public Comment Period for Consolidated Plan Amendment
- 9. Consolidated Planning Requirements – HOME, CDBG, HTF, ESG, and HOPWA Programs – Citizen Participation Reasonable Notice and Opportunity to Comment
- 10. ESG Program - HMIS Lead Activities
- 11. ESG Program - Re-evaluations for Homelessness Prevention Assistance
- 12. ESG Program - Housing Stability Case Management
- 13. ESG Program - Restriction of Rental Assistance to Units with Rent at or Below FMR



U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

All Secretary's Representatives
All Regional Directors for CPD
All CPD Division Directors
Continuums of Care (CoC)
Recipients and Subrecipients of the Continuum of Care (CoC) Program
Recipients and Subrecipients of the Emergency Solutions Grants (ESG) Program
Recipients and Subrecipients of the Youth Homelessness Demonstration Program (YHDP)
Grantees and Project Sponsors of the Housing Opportunities for Persons With AIDS (HOPWA) Program

Notice: CPD-22-09

Issued: June 15, 2022

Expires: March 31, 2023

Cross Reference: 24 CFR Part 578, 42 U.S.C. 11381, *et seq.*, 24 CFR Part 576, and 42 U.S.C. 11371, *et seq.*, 24 CFR Part 574, 42 U.S.C. 12901 *et seq.*)

Subject: Expedited Regulatory Waivers for the Emergency Solutions Grants, Continuum of Care, Youth Homelessness Demonstration Program, and Housing Opportunities for Persons With AIDS Programs

A. Purpose

This Notice advises recipients of ESG, CoC, YHDP, and HOPWA Program funds that they may apply for certain regulatory waivers through an expedited process to help recipients and subrecipients prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19. HUD will expeditiously respond to these waiver requests. Recipients must utilize the process set out by this Notice to submit waiver requests and justification of good cause to trigger the expedited HUD review.

The use of this expedited waiver process only applies to waivers explicitly stated in Section D.1 of this Notice. Recipients may continue to request other regulatory waivers as necessary to operate their programs; however, they will not be subject to the expedited process. If a recipient requests waivers under the expedited process and the general process simultaneously, HUD may respond first to the waiver request covered by the expedited process and then to the remaining waiver requests covered by the general process.

Note: for HOPWA program purposes, the term "recipient" includes the HOPWA grantee, and the term "subrecipient" includes the project sponsor.

B. Background

On March 31, 2020, CPD began issuing waivers of regulatory authority available on a nationwide basis with a simplified opt-in process to help recipients prevent and mitigate the spread of COVID-19. Between March 31, 2020, and December 30, 2021, CPD published eight memoranda announcing nationwide availability of regulatory waivers. On December 30, 2021, CPD published a memorandum, “Availability of Additional Waivers for Community Planning and Development (CPD) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19,” which extended the availability of some of the waivers until March 31, 2022¹, and made clear that would be the last extension of availability of those waivers to all recipients on an opt-in basis with a simplified notification process.

Recipients who continue to need regulatory flexibility must submit a regulatory waiver request pursuant to 24 CFR 5.110. Each waiver request must identify the regulation from which relief is sought and present good cause justification pursuant to 24 CFR 5.110. Requests for the specific types of regulatory waivers that are described in Section D.1 may use the expedited waiver process described in Section D.2. Other requests for waivers under the authority provided by 24 CFR 5.110 will be considered using the process outlined in Section E of this Notice.

As a general matter, HUD does not have the authority to waive statutory requirements; therefore, recipients should not send statutory waiver requests to HUD as they will not be approved.

C. Housing Quality Standards – Inspection of Units – CoC/YHDP/HOPWA

Throughout the pandemic, recipients have streamlined and enhanced their programs to effectively deliver services remotely using existing regulatory flexibilities. This section describes operational flexibility recipients of CoC, YHDP, and HOPWA Program funds may use without a waiver from HUD as it relates to virtual Housing Quality Inspections.

Unlike previous Notices issuing waivers that HUD made available to respond to COVID-19, this Notice does not provide for expedited processing of waivers of physical inspection requirements to ensure compliance with applicable housing quality standards (HQS) under 24 CFR 578.75(b)(1) and (b)(2) (for CoC and YHDP grants) and 24 CFR 574.310(b)(2) (for HOPWA grants). After further consideration, HUD has determined that in some circumstances, recipients and subrecipients may be able to satisfy the applicable physical inspection requirements through the use of a proxy who conducts a physical inspection on behalf of the recipient or subrecipients with the assistance of technology. CPD is currently developing guidance to clarify the physical inspection requirements under these regulations. However, prior to the effective date of CPD’s forthcoming guidance, HUD will consider physical inspections of units for compliance with HQS that are conducted on behalf of a recipient or subrecipient by a proxy (the proxy can be a landlord, property representative, tenant, or any adult associated with the eventual tenancy of the unit) using video streaming technology pursuant to a written agreement, kept on file by the subrecipient and recipient, to satisfy the physical inspection requirement applicable to CoC, YHDP, and HOPWA grants under 24 CFR 578.75(b)(1), 24 CFR 578.75(b)(2), and 24 CFR 574.310(b)(2).

¹ https://www.hud.gov/sites/dfiles/CPD/documents/Additional_Waivers_CP_D_COVID19_December_2021.pdf

Recipients and subrecipients that incorporate technology in their processes should also ensure the proxy has the equipment necessary to complete the HQS inspection, including:

- a. Tape measure;
- b. Lighting device, i.e., a flashlight;
- c. Circuit analyzer to test the low-voltage operation of electrical lines;
- d. Means to test smoke and carbon monoxide detectors;
- e. Temperature device for displaying the internal unit temperature;
- f. Smartphone or tablet that is fully charged and with a reliable internet connection.

Regardless of the use of technology to facilitate the HQS inspection, the recipient and subrecipient of the applicable program funds remain responsible for the conduct of the inspection, and any judgements made about whether a condition is a violation of HQS must be made by the recipient or subrecipient of the applicable funds. There may be some circumstances where the application of technology provides insufficient information or evidence to the recipient or subrecipient to allow them to make an appropriate determination. Recipients and subrecipients that incorporate technology into their processes must have policies and procedures in place on how to handle those limitations.

Use of an alternative inspection process as discussed in this notice does not relieve the recipient or subrecipient from exercising due care under the circumstances or from complying with any other requirements that may apply under state, local or federal law.

D. Expedited regulatory waiver requests

Given the persistence of the pandemic and its disproportionate economic and health impacts on people who are experiencing or at risk of homelessness or people living with HIV HUD has determined that relief from some of the regulations addressed in the December 30, 2021 memorandum for CPD Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 may continue to be necessary to expand the availability of housing for people experiencing homelessness and people living with HIV in tight rental markets, minimize the time needed to rehouse people experiencing homelessness, and permit the continued provision of supportive services to maintain housing stability for program participants. Accordingly, this Notice establishes an expedited waiver process for certain regulatory requirements, listed in Section D.1.

A CoC, ESG, YHDP, or HOPWA recipient may request waivers of requirements listed in Section D.1 utilizing the process described below in Section D.2, which HUD may approve under 24 CFR 5.110. A recipient must state a justification of good cause for each waiver requested. The good cause justification must be consistent with HUD's reasons for expediting the waiver review under this Notice (i.e., to help recipients and subrecipients prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19) and must include each of the following:

1. why the recipient needs the waiver;
2. the impact on the recipient's ability to help people experiencing homelessness (or for a HOPWA waiver, people living with HIV) obtain or maintain housing if the waiver is not provided; and

3. the proposed waiver duration, which may not exceed March 31, 2023, unless otherwise stated below for a specific waiver.

Examples of good cause may include:

- Insufficient staffing levels to carry out activities due to the pandemic's impact on the community or jurisdiction.
- Potential negative impacts of the pandemic on providing assistance to program participants, including the delay of identifying housing or the onset of housing instability.
- Local pandemic-specific delays or limitations (e.g., social distancing requirements, delays in obtaining necessary paperwork due to office closures or staffing shortages, low vaccination rates or high hospitalization rates of people experiencing homelessness or people living with HIV).
- Local data related to the pandemic's impact that supports the waiver flexibility, the number of unassisted households living in units with more than two persons per room in the geographic area).

1. Expedited Regulatory Waiver Requests Allowed under this Notice

Recipients may request expedited review of waivers under this Notice only for the regulatory requirements listed below.

Waiver requests must be received by HUD on or before July 31, 2022, to be designated for expedited processing as provided by this Notice. Unless otherwise stated below for a specific waiver, the expedited process under this Notice will only be used for approving waivers with an effective end date that is not later than March 31, 2023.

Each waiver request must also specify the grant number of each grant to which the recipient wants the waiver flexibility to apply. HUD will not approve any waivers using this expedited process for grants awarded with funds from FY 2023 or later. HUD's approval of these waivers will not change the period of performance or approved budget period for any grant, and these waivers cannot be used to assist individuals or families beyond the period of performance/budget period end date(s) for the grant(s) for which a waiver is made.

a. CoC/YHDP - Suitable Dwelling Size and Housing Quality Standards – Permanent Housing – Rapid Re-housing Projects

24 CFR 578.75(c), suitable dwelling size, and 24 CFR 982.401(d)(2)(ii) as required by 24 CFR 578.75(b), Housing Quality Standards, requires units funded with CoC Program funds to have at least one bedroom or living/sleeping room for each two persons.

This notice provides for expedited processing of recipient requests to waive the regulatory requirements at 24 CFR 578.75(c), suitable dwelling size, and 24 CFR 982.401(d)(2)(ii) as required by 24 CFR 578.75(b) so that recipients carrying out Permanent Housing – Rapid Re-housing projects are able to assist program participants to move into housing with more than two persons per room. Recipients should balance the use of this waiver with the recommendations of public health officials to limit community spread and reduce the risks to high-risk populations

consistent with the *Executive Order on Fighting the Spread of COVID-19 by Providing Assistance to Renters and Homeowners*.

This waiver is only made available with respect to recipients providing Permanent Housing-Rapid Re-housing assistance for leases and occupancy agreements executed by recipients and subrecipients between the effective date of the HUD-approved waiver and March 31, 2023. Assisted units with leases and occupancy agreements signed during this period of time may have more than two persons for each bedroom or living/sleeping room until the later of 1) the end of the initial term of the lease or occupancy agreement; or 2) March 31, 2023.

b. CoC/YHDP - Fair Market Rent for Individual Units and Leasing Costs

24 CFR 578.49(b)(2) prohibits a recipient from using grant funds for leasing to pay above FMR when leasing individual units, even if the rent is reasonable when compared to other similar, unassisted units.

This notice provides for expedited processing of recipient requests to waive the regulatory requirement at 24 CFR 578.49(b)(2) and use grant funds to pay for rent above FMR when leasing individual units under leases executed before the expiration of this Notice, so long as the rent paid for individual units meets the rent reasonableness standard at 24 CFR 578.49(b)(2).

This waiver is only made available with respect to leases of individual units between the effective date of the HUD-approved waiver and March 31, 2023, although the recipient may request that the waiver remain applicable to a lease of an individual unit in which a program participant is assisted during that time period may continue to benefit from this waiver through until the earlier of the end of the lease or the end of the period of performance/approved budget period(s) for the recipient's grant(s) covered by the waiver.

c. CoC/YHDP – One - Year Lease Requirement

24 CFR 578.3, definition of permanent housing, and 24 CFR 578.51(l)(1) requires program participants residing in permanent housing to be the tenant on a lease for a term of at least one year that is renewable and terminable for cause.

This notice provides for expedited processing of recipient requests to waive the regulatory requirements at 24 CFR 578.3 and 24 CFR 578.51(l)(1) that recipients execute a lease that is for a term of less than one year, so long as the initial term of the lease is at least one month.

d. CoC/YHDP - Permanent Housing Rapid Re-housing Limit to 24 Months of Rental Assistance

24 CFR 578.37(a)(1)(ii) and 24 CFR 578.51(a)(1)(i) defines medium term rental assistance as 3-24 months and 24 CFR 578.37(a)(1)(ii) and 24 CFR 578.37(a)(1)(ii)(C) limits rental assistance in Rapid Re-housing projects to medium-term rental assistance, or no more than 24 months.

This notice provides for expedited processing of recipient requests to waive the regulatory requirements at 24 CFR 578.37(a)(1)(ii), 24 CFR 578.37(a)(1)(ii)(C), and 24 CFR 578.51(a)(1)(i) in permanent housing rapid-rehousing projects for program participants who will have reached their 24-months of rental assistance between the publication of this Notice and March 31, 2023 and who will not be able to afford their rent without additional rental assistance. Program participants who have reached their 24-months of rental assistance during this time will be eligible to receive additional rental assistance from the effective date of a HUD-approved waiver until March 31, 2023.

e. CoC/YHDP Disability Documentation for Permanent Supportive Housing

24 CFR 578.103(a) requires recipients to maintain records providing evidence they met program requirements and 24 CFR 578.103(a)(4)(i)(B) establishes the requirements for documenting disability for individuals and families that meet the “chronically homeless” definition in 24 CFR 578.3. Acceptable evidence of disability includes intake-staff recorded observations of disability no later than 45 days from the date of application for assistance, which is confirmed and accompanied by evidence in paragraphs 24 CFR 578.103(a)(4)(i)(B)(1), (2), (3), or (5).

This notice provides for expedited processing of recipient requests to waive the regulatory requirements at 24 CFR 578.103(a) and 24 CFR 578.103(a)(4)(i)(B) that staff-recorded observation of disability be confirmed and accompanied by other evidence no later than 45 days from the application for assistance documentation until the expiration of this Notice. Note that a written certification by the individual seeking assistance that they have a qualifying disability will be acceptable documentation approved by HUD under 24 CFR 578.103(a)(4)(i)(B)(5) until the expiration of this Notice.

f. ESG – Assisting Program Participants with Subleases

The use of “owner” and “lease” in 24 CFR 576.105 and 576.106 restrict program participants from receiving rental assistance under 24 CFR 576.106 and certain services under 24 CFR 576.105 with respect to units that program participants sublease or lease from a person other than the owner or the owner’s agent.

This notice provides for expedited processing of recipient requests to waive the regulatory requirements in 24 CFR 576.105 and 576.106 to the extent that the references to “owner” and “lease” in 24 CFR 576.105 and 576.106 restrict program participants from receiving assistance in units they sublease from the primary leaseholder, provided that the recipient is able to assure HUD that:

- i) The waiver will be used only when the program participant chooses to rent a unit through a legally valid sublease with the primary leaseholder for the unit; and
- ii) The recipient has developed written policies to apply the requirements of 24 CFR 576.105, 24 CFR 576.106, 24 CFR 576.409, and 24 CFR 576.500(h) with respect to that program participant by reading the references to “owner” and “housing owner” to apply to the primary leaseholder and reading the references to “lease” to apply to the program participant’s sublease or lease with primary leaseholder.

In addition, to be considered for expedited processing, the waiver request must specify the period during which the recipient needs to house program participants using this flexibility, and that period must not extend beyond March 31, 2023, although the recipient may request that the waiver remain applicable to any sublease approved during that period until the earlier of the end of the program participant's otherwise allowable term of assistance or the end of the period of performance/approved budget period(s) for the recipient's grant(s) covered by the waiver.

g. ESG - Durational Limits on Housing Relocation and Stabilization Services

24 CFR 576.105(a)(5) prohibits a program participant from receiving more than 24 months of utility payments under ESG during any three-year period. 24 CFR 576.105(b)(2) limits the provision of housing stability case management to 30 days while the program participant is seeking permanent housing and to 24 months during the period the program participant is living in housing. 24 CFR 576.105(c) limits the total amount of time a program participant may receive services under 24 CFR 576.105(b) to 24 months during any 3-year period.

This notice provides for expedited processing of recipient requests to waive one or more of the 24-month limits under 24 CFR 576.105(a)(5), 24 CFR 576.105(b)(2), and 24 CFR 576.105(c) for program participants who continue to need assistance beyond the 24-month limit(s) to maintain housing stability. Additionally, this notice provides for expedited process of recipient requests to waive 24 CFR 576.105(b)(2) to allow recipients to pay for housing stability case management for up to 60 days while the program participant is seeking housing.

h. ESG - 24-Month Limit on Rental Assistance

24 CFR 576.106(a) limits the total amount of time a program participant may receive rental assistance to 24-months during a 3-year period.

This notice provides for expedited processing of recipient requests to waive the 24-month limit on rental assistance under 24 CFR 576.106(a) for program participants who have received 24-months of rental assistance over a 3-year period, but will not be able to afford their rent without additional rental assistance.

i. ESG - Restriction of Rental Assistance to Units with Rent at or Below FMR

24 CFR 576.106(d)(1) provides that rental assistance cannot be provided unless the total rent is equal to or less than the FMR established by HUD, as provided under 24 CFR Part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

This notice provides for expedited processing of recipient requests to waive the FMR-based limitation in 24 CFR 576.106(d)(1), so that a recipient can provide rental assistance to program participants in units that are above FMR, so long as the rent is reasonable when compared to other similar unassisted units.

However, to be considered for expedited processing, the waiver request must specify the period during which the recipient needs to house program participants using this flexibility, and that period must not extend beyond March 31, 2023, although the recipient may request that the waiver remain applicable to any unit in which a program participant is assisted during that time period may continue to benefit from this waiver through until the earlier of the end of the program participant's otherwise allowable term of assistance or the end of the period of performance/approved budget period(s) for the recipient's grant(s) covered by the waiver.

j. HOPWA – Time Limits for Short-Term Housing Facilities and Short-Term Rent, Mortgage, and Utility Payments

24 CFR 574.330(a)(1) limits the total amount of time an eligible individual or family can reside in a short-term supported housing facility to no more than 60 days during any six-month period. It also limits the Short-Term Rent, Mortgage, and Utility (STRMU) payments to prevent the homelessness of the tenant or mortgagor of a dwelling to no more than 21 weeks in any 52-week period.

This notice provides expedited processing of grantee requests to waive the 21-week and 60-day limitations in 24 CFR 574.330(a)(1). The waiver requests must meet the following criteria for expedited processing:

- i) The grantee or project sponsor documents, on an individual household basis, that a good faith effort has been made to assist the household to achieve housing stability within the time limits specified in the regulations, but that financial needs or health and safety concerns have prevented the household from doing so; and
- ii) The grantee or project sponsor has written policies and procedures outlining efforts to regularly re-assess the needs of assisted households, as well as processes for granting extensions based on documented financial needs or health and safety concerns.
- iii) The waiver request must specify the alternative limits to be used in place of the 21-week and 60-day limit as applicable, and those limits must not exceed 52 weeks and 120 days, respectively.
- iv) The waiver request must specify the period during which the grantee needs to provide assistance consistent with this waiver, and that period must not extend beyond March 31, 2023.

Also, although waivers of the 60-day limit may be requested for all HOPWA grants, including grants funded under the CARES Act, HUD does not intend to consider waivers of the 21-week STRMU time limit for HOPWA grants covered by Notice CPD-20-05, which provides special flexibility as authorized by the CARES Act for grants funded under the CARES Act and for the portion of a grantee's FY 2020 formula funds that have been approved under its Annual Action Plan (AAP) for allowable activities to prevent, prepare for, and respond to the COVID-19 pandemic as described in section V. of Notice CPD-20-05.

k. HOPWA – Space and Security

24 CFR 574.310(b)(2)(iii) provides that in all housing assisted under § 574.300(b) (3), (4), (5), and (8), each resident must be afforded adequate space and security for themselves and their belongings.

This notice provides expedited processing of requests to waive this requirement, so that grantees and project sponsors operating housing facilities and shared housing arrangements can place more than two people in a room or reconfigure rooms, common areas and other appropriate spaces for temporary quarantine services of eligible individuals and families affected by COVID-19. Grantees and project sponsors must justify in the waiver request why the grantee or project sponsor cannot provide adequate space and security in accordance with the standard provided at 24 CFR 574.310(b)(2)(iii). The waiver request must also specify the period during which the grantee needs to use this waiver, and to be considered for expedited processing under this Notice, that effective period must not extend beyond March 31, 2023.

I. HOPWA – Self-Certification of Income and Credible Information on HIV Status

24 CFR 574.530 requires HOPWA grantees and project sponsors to maintain records to document compliance with HOPWA requirements, which includes determining the eligibility of a family to receive HOPWA assistance. Eligibility is restricted to a low-income person living with HIV and their family.

This notice provides expedited processing of requests to waive the requirement at 24 CFR 574.530 to have source documentation of HIV status at the time of the determination of eligibility. Grantees and project sponsors would be able to utilize written certification of HIV status and income to document eligibility of an individual or family seeking assistance if the grantee or project sponsor agrees to obtain source documentation of HIV status and income eligibility within 90 days of obtaining the written certification. Grantees and project sponsors must provide justification as to why source documentation cannot be acquired at the time of the eligibility determination. The waiver request must also specify the period during which the grantee is requesting to use this waiver, and to be considered for expedited processing under this Notice, that effective period must not extend beyond March 31, 2023.

2. Instructions for submitting expedited regulatory waiver for items in Section D.1 above

This section explains the process for submitting expedited waiver requests and provides directions to recipients on how to submit requests for processing. A recipient may request a waiver of the HUD requirements listed above and must include a justification of why the waiver is needed. No waiver(s) requested may be implemented unless written approval from HUD has been obtained. To ensure expedited processing, recipients should email their waiver requests to SNAPSinfo@hud.gov with a copy to their local field office CPD Director. Each request should include:

- a. An email subject line of: "Expedited Pandemic Regulatory Waiver Request"; and
- b. The following information in the body of the email:

- Recipient information, including the name of recipient and name and contact information of a person within the organization to contact with questions about the waiver request;
- The grant number(s) the recipient is requesting the waiver of regulatory requirements apply to;
- Specific waiver flexibilities requested, including requested effective period and other conditions under which grantee proposes to use the waiver, consistent with the specific conditions for expedited waiver processing discussed in Section D.1.; and
- A specific justification for each waiver that shows good cause consistent with HUD's reasons for expediting the waiver review under this Notice (i.e., to help recipients and subrecipients prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19) and including the required information identified in the waiver's description in Section D.1.

Requests that do not include each of the above, or do not include information specifically required for expedited processing of a particular waiver as stated in Section D, will still be considered, but may not receive expedited processing as provided in this Notice. A template has been provided in Appendix A of this Notice that recipients may use to provide the required information. Using this template to submit your waiver request is optional.

Following submission, CPD will reply via email confirming that the request has been received. The CPD Program Office will prepare a final determination for approval by its Principal Deputy Assistant Secretary, and recipients will receive a signed response to the waiver request via email.

E. General process for waiver requests (that are not expedited)

Recipients may initiate regulatory waiver requests with the appropriate field office. Each regulatory waiver request must identify the regulation from which relief is sought and present a good cause justification pursuant to 24 CFR 5.110. The general process for non-expedited waiver requests is as follows:

1. The recipient submits the request for a waiver identifying the grant number(s) the waiver would apply to and with good cause justification pursuant to 24 CFR 5.110 to the CPD Director at its Field Office;
2. The Field Office submits the request with its recommendation to HUD Headquarters;
3. The CPD Program Office prepares a final determination for approval by its Assistant Secretary; and
4. Recipients receive the signed response to its waiver request by email.

HUD may request additional information from the recipient when preparing its final determination.

Keep in mind, as a general matter, HUD does not have the authority to waive statutory requirements; therefore, recipients should not send statutory waiver requests to HUD as they will not be approved.

Appendix A
Optional Template for Submitting Expedited Waiver Requests Under Section D.1 of this Notice

Complete the following information using one template for each of the waiver flexibilities being requested.

Recipient Name:	
Recipient Contact Name:	
Recipient Contact Email Address:	
Waiver Flexibilities Requested, including conditions under which the waiver will be used:	
Timeframe for Which Waiver Flexibility is Requested:	
Grant Number(s) for Which Waiver Flexibility is Requested:	
Good Cause Justification: (attach any additional information, as necessary)	



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

Special Attention of:
All CPD Directors
HUD Field Offices
HUD Regional Offices
All Continuums of Care
All ESG Program Recipients and
Subrecipients
Tribes
Tribally Designated Housing Entities

Notice: CPD-21-08
Issued: July 19, 2021
Expires: This notice is effective until
amended, superseded, or rescinded. This
notice supersedes Notice CPD-20-08.

TITLE: Waivers and Alternative Requirements for the Emergency Solutions Grants
(ESG) Program Under the CARES Act

EFFECTIVE DATE: July 19, 2021

SUMMARY: This Notice supersedes Notice CPD-20-08, published on September 1, 2020, and reestablishes the allocation formula and amounts and reestablishes and announces new requirements for the \$3.96 billion in funding provided for the Emergency Solutions Grants Program (ESG) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These ESG-CV funds must be used to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. Requirements at 24 CFR Part 576 will apply to the use of these funds, unless otherwise provided by the alternative requirements and flexibilities established under the CARES Act, this Notice, or subsequent waivers, amendments, or replacements to this Notice. HUD may reassess any waivers established under this Notice prior to September 30, 2022.

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Office of Community Planning and Development.

B. Authority: Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136 (2020).

C. Publication: This Notice is initially being published on HUD's website.

D. Catalog of Federal Domestic Assistance (CFDA) Number: 14.231 Emergency Solutions Grants Program (ESG).

www.hud.gov

E. Obligations: HUD executed initial grant agreements for the first allocation of \$1,000,000,000 of the available CARES Act ESG-CV funding. HUD amended these grant agreements for all recipients to add further amounts based on the formula described in Section F.1 of this Notice to distribute up to \$2,960,000,000 of the remaining funds. Recipients must follow the obligation deadlines established in Section III.B of this Notice.

F. Additional Overview Content Information:

1. Funding Allocations. HUD allocated \$1,000,000,000 of the funds to recipients of FY 2020 ESG funds based on the same formula HUD used under 24 CFR 576.3 to allocate the FY 2020 funds. The remaining \$2,960,000,000 in funds were allocated directly to states and units of general local government according to a formula developed by the Secretary, as required by the CARES Act:

https://www.hud.gov/sites/dfiles/CPD/documents/ESG_CARES_Act_Round_2_Allocation_Methodology_rev.pdf. The list of recipients is provided at: https://www.hud.gov/program_offices/comm_planning/budget/fy20/.

2. Modified Requirements for the Consolidated Plan (Con Plan). The requirements at 24 CFR 576.200, as modified by this Notice, shall apply to the application and review process for ESG-CV funds.

a. In order to receive the ESG-CV funds described in this Notice, each eligible recipient was previously instructed to prepare and submit a Substantial Amendment to its Action Plan that was most recently approved as provided under 24 CFR part 91 to include ESG-CV amounts or include the ESG-CV amounts in their FY 2020 Annual Action Plan submission. The deadline for these submissions (whether made in the jurisdiction's FY 2020 action plan or an amendment to the jurisdiction's most recently approved plan) is August 16, 2021, consistent with the deadline the CARES Act established to supersede the deadline that would apply under 24 CFR 91.15 for the consolidated planning submissions for FY2019 and FY2020 funding for CPD formula programs.

b. The ESG-CV funds described in this Notice are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants program, including the requirements under 24 CFR 91.100, 91.105, 91.110, and 91.115. However, as required by the CARES Act, each recipient must publish how it has used and will use its allocation, at a minimum, on the Internet at the appropriate government website or through other electronic media. With respect to ESG-CV funds to be awarded, each recipient must describe the activities they will fund with those ESG-CV funds and indicate whether, as of the date the notice is published, the activity has already occurred, and the recipient is reimbursing itself or the activity has yet to occur. In its notification and communication methods, recipients and subrecipients must also ensure effective communication with individuals with disabilities and take reasonable steps to ensure meaningful access to persons with limited English proficiency (LEP). See also 24 CFR 576.407(a) and (b).

c. Each Substantial Amendment submitted to HUD to receive the ESG-CV funds described in this Notice will be subject to the review process set forth in 24 CFR 91.500, except that HUD will expedite its review with respect to CARES Act funding.

d. With respect to ESG-CV funds already received, recipients that wish to make a change described in 24 CFR 576.200(b), including changing the allocation, distribution, or use of ESG-CV funds, must amend their consolidated plans as provided by 24 CFR 91.505 and 576.200(b), except that the recipient is not required to comply with any consultation or citizen participation requirements (as provided by the CARES Act), provided that the recipient publishes its planned changes, at a minimum, on the Internet at the appropriate Government web site or through other electronic media.

G. Applicability of Previously Published Waivers and Alternative Requirements

Notice [CPD-21-05 – Waiver and Alternative Requirements for the Emergency Solutions Grants \(ESG\) Program Under the CARES Act](#) will continue to apply as written and without alteration by this Notice. Recipients that received particularized waivers or exceptions in response to their specific circumstances may continue to apply those waivers and exceptions subject to the conditions provided in those waivers or exceptions, although they may also use any further flexibility provided in this Notice under the conditions and alternative requirements provided in this Notice.

H. Highlights of Changes

This Notice makes changes from Notice CPD-20-08, including:

1. **Emergency Shelter Activities.** The limitation in Notice CPD-20-08 that ESG-CV funds may only be used for the costs of providing emergency shelter until January 31, 2022 has been lifted. ESG-CV funds may be used to pay for emergency shelter costs, as needed, consistent with this Notice to prevent, prepare for, and respond to coronavirus.
2. **Temporary Emergency Shelter Activities.** The limitation in Notice CPD-20-08 that ESG-CV funds may only be used for the costs of providing temporary emergency shelter until January 31, 2022 has been lifted. ESG-CV funds may be used to pay for temporary emergency shelter costs, as needed, consistent with this Notice to prevent, prepare for, and respond to coronavirus. Additionally, as needed, recipients may convert temporary emergency shelter acquired or improved with ESG-CV funds into emergency shelter as defined at 24 CFR 576.2 without triggering the disposition requirements in 2 CFR 200.311(c). See Section III.E.3.a of this Notice for additional information.
3. **New Eligible Activities.** Section III.E of this Notice establishes new eligible activities to cover costs of loaning cell phones with wireless plans to program participants to conduct activities necessary for obtaining and maintaining housing, providing personal protective equipment to program participants, providing laundry services to individuals and families living in unsheltered locations, making vaccine incentive payments to people experiencing homelessness, providing furniture and household furnishings to program participants while they are receiving rapid re-housing or homelessness prevention assistance, providing essential services to households

receiving rapid re-housing and homelessness prevention assistance as well as program participants residing in hotels and motels paid for with ESG-CV funds, paying for renters insurance for households receiving rapid re-housing or homelessness prevention assistance, assuring the applicable coordinated entry system can quickly prioritize and connect people to appropriate housing and services to prevent and respond to coronavirus, and providing sponsor-based rental assistance for program participants receiving rapid re-housing or homelessness prevention assistance.

4. **Aligning Eligibility and Re-evaluation Income Limits.** The income limit of 30 percent of median family income, as determined by HUD, to be eligible for homelessness prevention and to continue to receive homelessness prevention or rapid re-housing assistance has been raised to Very Low Income as described in Section III.E.4 (eligibility) and Section III.F.13 (re-evaluation) of this Notice.

5. **New Rental Assistance Allowances.** As provided in Section III.E.4.b of this Notice, recipients or subrecipients providing project-based rental assistance may pay for rent for a maximum of 30 days from the end of the month in which the unit was vacated while the recipient or subrecipient attempts to house another eligible program participant in that unit. Additionally, if a program participant moves into a unit in the middle of the month, the Notice provides that the initial payment of a half month's rent does not count towards the program participant's total rental assistance. Further, recipients and subrecipients may allow program participants to enter into subleases when receiving rapid re-housing or homelessness prevention assistance.

6. **Helping Current ESG Program Participants Maintain Housing.** The limitation that a program participant may only receive services or rental assistance for up to 24 months in a 3-year period is waived for all program participants while receiving ESG-CV assistance. Further, if a program participant moves into a unit in the middle of the month, the Notice provides that the initial payment of a half month's rent does not count towards the program participant's total rental assistance. See Section III.E.4.g of the Notice for more information. Additionally, the limitation of medium-term rental assistance to 12-months has been lifted.

7. **Permanent Housing - Habitability and Housing Quality Standards.** As provided in Section III.F.14, recipients and subrecipients must ensure that housing meets minimum habitability standards established in 24 CFR 576.403(c) or Housing Quality Standards (HQS) established under 24 CFR 982.401 before helping a program participant remain or move into housing. Additionally, recipients may provide housing relocation and stabilization services for individuals and families receiving homelessness prevention assistance without conducting habitability or HQS inspections.

8. **Housing Stability Case Management.** Recipients and subrecipients providing housing stability case management as allowed at 24 CFR 576.105(b)(2) may pay for housing stability case management for up to 60 days while the program participant is seeking housing, instead of 30 days as currently permitted by 24 CFR 576.105(b)(2). See Section III.E.4.f of this Notice for more information.

9. Permitting Recipients and Subrecipients to Subaward Funds to tribes and tribally-designated housing authorities. The limitation that recipients and subrecipients may not subaward funds to Indian Tribes and Tribally Designated Housing Entities is waived. See Section III.A of this Notice for more information.

10. Including Indian Tribes in the Definition of "Subrecipient." As provided in Section I.B.1.e of this Notice, the definition of "subrecipient" at 24 CFR 576.2 is waived to expressly include Indian tribes and tribally designated housing entities.

11. Providing Additional Flexibilities for Puerto Rico and the Territories. The definition of "State" in Section 411 of the McKinney-Vento Homeless Assistance Act and 24 CFR 576.2 is waived to include an instrumentality of the Commonwealth of Puerto Rico. Additionally, the definition of "Territory" is waived to include an instrumentality of a Territory. See Section I.B.1.d and III.A.3 for additional information.

I. For Further Information: Written questions may be sent to: Norm Suchar, Director, Office of Special Needs Assistance Programs, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7266, Washington, DC, 20410 or ESG-CV@hud.gov. Persons with hearing or speech impairments may access the above telephone number via TTY by calling the Federal Information Relay Service at 800-877-8339 (this is a toll-free number).

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Program Description

The CARES Act made \$4,000,000,000 available for the Emergency Solutions Grants Program to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

To accomplish the above, this additional funding for ESG recipients can be used to provide emergency shelter, temporary emergency shelter, or rapid re-housing, as well as other crisis response activities. Additionally, funds may be used for homelessness prevention assistance.

B. Definitions.

1. Definitions from 24 CFR 576.2. For purposes of ESG-CV funds, the definitions at 24 CFR 576.2 apply, except that:

a. **At Risk of Homelessness.** The CARES Act raised the income limit in paragraph (1)(i) of the “at risk of homelessness” definition at 24 CFR 576.2 from 30 percent of area median income to the Very Low-Income limit of the area, as determined by the Secretary. The entire definition of “at risk of homelessness,” incorporating the higher income limit for ESG-CV activities, is included below for reference.

At Risk of Homelessness means

(i) An individual or family who:

(a) Has an annual income that does not exceed the Very Low-Income Limit of the area, as established for HUD’s Section 8 and Public Housing programs at www.huduser.gov/portal/datasets/il.html;

(b) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in 24 CFR 576.2; and

(c) Meets one of the following conditions:

(I) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(II) Is living in the home of another because of economic hardship;

(III) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(IV) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(V) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(VI) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(VII) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.

(ii) A child or youth who does not qualify as "homeless" under 24 CFR 576.2, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(iii) A child or youth who does not qualify as "homeless" under 24 CFR 576.2, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

b. Homeless has the meaning established at 24 CFR 576.2 except that the limitation in paragraph (1)(iii) that an individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution has been waived and the following alternative requirement established: An individual may qualify as homeless under paragraph (1)(iii) of the homeless definition in 24 CFR 576.2 so long as the individual is exiting an institution where the individual resided for 120 days or less and the individual resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. This waiver and alternative requirement is necessary because recipients are reporting that program participants are residing in institutions for longer periods of time as a result of coronavirus (e.g., longer time in jail due to postponed court dates due to court closings or courts operating at reduced capacity and longer hospital stays when infected with coronavirus). Allowing someone who was residing in an emergency shelter or place not meant for human habitation prior to entering the institution to maintain their homeless status while residing in an institution for longer than 90 days is necessary to prevent the spread of coronavirus by expanding housing options for people who were experiencing homelessness and institutionalized longer than traditionally required due to coronavirus.

c. Local government and unit of general purpose local government mean a "unit of general purpose local government," as defined in 24 CFR 576.2 (i.e., any city, county, town, township, parish, village, or other general purpose political subdivision of a State) and, as established by section 100261(1) of the Moving Ahead for Progress in the 21st Century Act (MAP-21 Act), Public Law 112-141, includes:

(i) an instrumentality of a unit of general purpose local government, provided that the instrumentality is not a public housing agency, is established pursuant to legislation, and is designated by the chief executive of the general purpose local government to act on that government's behalf with regard to activities funded under title IV of the McKinney-Vento Homeless Assistance Act; and

(ii) a combination of general purpose local governments, such as an association of governments that is recognized by HUD.

d. State means a "State" as defined in 24 CFR 576.2 (i.e., each of the several States and the Commonwealth of Puerto Rico); and, as provided by section 100261(2) of the MAP-21 Act,

includes any instrumentality of any of the several States designated by the Governor to act on behalf of the State and does not include the District of Columbia. In addition, as provided in section III.A of this Notice, "State" also includes an instrumentality of the Commonwealth of Puerto Rico as authorized by the following:

- (i) The governor's written designation of the instrumentality to act on behalf of the state with respect to the Emergency Solutions Grants program; and
- (ii) Certification by the governor that the instrumentality meets each of the following criteria or evidence that otherwise shows the entity qualifies as an instrumentality of the state under its state law:
 - (a) The entity is used for a governmental purpose and performs a governmental function;
 - (b) The entity performs its function on behalf of the state;
 - (c) The state has the authority to appoint members of the governing body of the entity OR the control and supervision of the entity is vested in the state government;
 - (d) State statutory authority is needed to create and/or use the entity; and
 - (e) No part of the net earnings inures to the benefit of any private shareholder, member or individual.

e. Subrecipient means a local government, private nonprofit organization, public housing agency, local redevelopment authority, Indian tribe or tribally designated housing entity (as such terms are defined in the Native American Housing Assistance and Self-Determination Act of 1996, as amended) that receives a subaward of ESG funds as permitted under this Notice.

2. Definitions not in 24 CFR 576.2.

a. The McKinney-Vento Act means the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.).

b. Coronavirus means SARS-CoV-2 or another coronavirus with pandemic potential, as defined by section 23005 of the CARES Act.

c. ESG means, unless otherwise specified, the Emergency Solutions Grants Program whether funded through annual fiscal year (FY) appropriations or CARES Act funding. For example, a program participant assisted using only FY2020 ESG funding and a program participant assisted using only ESG-CV funding are both ESG program participants.

d. ESG-CV means the Emergency Solutions Grants Program as funded by the CARES Act and governed by requirements HUD establishes in accordance with that Act. ESG-CV funds do not include annual ESG funds (e.g., FY 2020 ESG grant funds), although annual ESG funds for FY2020 and earlier fiscal years may be used in accordance with the requirements established for purposes of ESG-CV funds as further described in Section IV of this Notice.

e. Indian Area means has the same meaning as that term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996, as amended (25 U.S.C. 4103).

f. Indian Tribe and Tribally Designated Housing Entity have the same meaning as those terms are defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996, as amended (25 U.S.C. 4103).

g. Sponsor-based Rental Assistance means rental assistance that is provided pursuant to a contract that (1) is between the recipient or subrecipient and a separate government agency, instrumentality, or nonprofit organization ("sponsor") that owns or leases dwelling units; and (2) provides that rental assistance payments shall be made to sponsor and that program participants shall occupy such assisted units.

h. Temporary Emergency Shelter means any structure or portion of a structure, which is used during a Federal, state, or local emergency declaration, such as for a natural disaster or public health emergency, and for up to 12 months after that declaration expires, to provide shelter for individuals and families displaced from their normal place of residence or sheltered or unsheltered locations. Examples of temporary emergency shelters include:

(i) an overnight, daytime, or 24-hour shelter in which program participants are only provided a safe place to sleep, rest, bathe, and eat;

(ii) a shelter where one or more services are made available on-site, whether by shelter staff or contractors or through a memorandum of understanding with another subrecipient or service provider; and

(iii) a shelter designed to facilitate the movement of homeless individuals and families into permanent housing within a fixed period of time (e.g., within 12 months) and which employs or contracts with one or more case managers or service providers to provide services as specified under Sections III.E.3.a.(i)(e) and III.E.3.a.(ii)(d) through (g).

i. Prevent, Prepare for, and Respond to Coronavirus. To assist recipients in ensuring that an activity being paid for with ESG-CV funds is eligible, or determining whether annual ESG funding may follow the waivers and alternative requirements established in this Notice, recipients and subrecipients should consider the following:

(i) Prevent...coronavirus means an activity designed to prevent the initial or further spread of the virus to people experiencing homelessness, people at risk of homelessness, recipient or subrecipient staff, or other shelter or housing residents. This includes, for example, providing Personal Protective Equipment to emergency shelter staff and program participants, paying for non-congregate shelter options such as hotels and motels, paying for handwashing stations and portable toilets for use by people living in unsheltered situations, and providing rapid re-housing or homelessness prevention assistance to individuals and families who are homeless or at risk of homelessness (as applicable) to reduce their risk of contracting or further spreading the virus.

(ii) Prepare for...coronavirus means an activity carried out by a recipient or subrecipient prior to or during a coronavirus outbreak in their jurisdiction to plan to keep people healthy and reduce the risk of exposure to coronavirus and avoid or slow the spread of disease. This includes, for example, updating written standards to prioritize people at severe risk of contracting coronavirus for shelter and housing consistent with fair housing and nondiscrimination requirements, adapting coordinated entry policies and procedures to account for social distancing measures or increased demand, developing a strategy and recruiting landlords to provide housing to people

experiencing homelessness or at risk of homelessness, training homeless providers on infectious disease prevention and mitigation, and implementing a non-congregate shelter strategy to reduce the spread of coronavirus.

(iii) Respond to coronavirus means an activity carried out once coronavirus has spread to people experiencing homelessness or provider staff, or once individuals and families lose or are at risk of losing their housing as a result of the economic downturn caused by coronavirus. This includes, for example, transporting individuals and families experiencing homelessness to medical appointments, paying for shelter to isolate individuals who have contracted coronavirus from other program participants and people experiencing homelessness, providing rental assistance to those who are at risk of losing their housing, have already become homeless, or continue to experience homelessness due to the economic downturn caused by coronavirus, and providing hazard pay to recipient or subrecipient staff who put their own health at risk to continue to provide necessary services to individuals and families experiencing and at risk of homelessness.

II. ALLOCATIONS

A. Initial Allocations. The ESG-CV grant funds are available through two allocations as follows:

1. First Allocation. \$1 billion has been allocated to recipients allocated FY 2020 ESG funding based on the same formula used under 24 CFR 576.3 for the FY 2020 ESG funding; and
2. Second Allocation. \$2.96 billion has been allocated to states and units of general local government based on a formula developed by the Secretary, as provided by the CARES Act.

B. Reallocation.

1. Funds Not Awarded by HUD Due to Failure of the Recipient to Submit and Obtain HUD Approval of a Substantial Amendment to its Action Plan or FY 2020 Annual Action Plan. ESG-CV funds are provided to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and for homelessness prevention activities to mitigate the impacts created by coronavirus. In order to quickly deploy these resources, it is important that they are awarded to recipients with experience administering annual ESG funding. Therefore, HUD reserves discretion to issue a separate notice providing waivers and alternative requirements to replace the process for reallocating ESG-CV funds from states and territories under at 24 CFR 576.300, 567.302, and 576.303, which address how HUD will reallocate funds not awarded due to the states' and territories' failure to submit a Substantial Amendment to their Action Plan including the ESG-CV funds or the states' and territories' failure to submit their FY 2020 Annual Action Plan including ESG-CV funds in accordance with the requirements of 24 CFR part 91.

Funds recaptured from metropolitan cities and urban counties due to failure to submit a Substantial Amendment to its Action Plan including the ESG-CV funds or the recipient's failure to submit its FY 2020 Annual Action Plan including ESG-CV funds in accordance with the

requirements of 24 CFR part 91 will continue to be reallocated in accordance with 24 CFR 576.301.

2. Funds Recaptured by HUD after Award. ESG-CV funds are provided to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. It is important that resources be targeted to communities that need and can use additional funding to support these efforts. Therefore, HUD is establishing expenditure deadlines and recapture provisions (as discussed in section III.B.2 below), and HUD reserves discretion to issue a separate notice providing waivers and alternative requirements to replace the process for reallocating recaptured ESG-CV funds under section 24 CFR 576.300(2).

III. APPLICABLE RULES, STATUTES, WAIVERS, AND ALTERNATIVE REQUIREMENTS

This section describes the statutes, regulations, waivers, and alternative requirements that apply to ESG-CV grants.

The CARES Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these amounts, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. The Notice describes when temporary emergency shelter is exempt from environmental review and outlines standards for temporary emergency shelter. Regulatory waiver authority is also provided by 24 CFR 5.110 and 91.600. For the reasons stated with each waiver or alternative requirement established in this Notice, HUD has determined that good cause exists for each waiver or alternative requirement and that the waiver or alternative requirement is necessary to prevent, prepare for, and respond to coronavirus.

Except as otherwise stated in this Notice, waivers and alternative requirements shall be deemed to be effective as of the date a State or unit of local government began preparing for coronavirus, which HUD shall presume to be January 21, 2020 – the date the first confirmed case was reported in the United States. However, each recipient must maintain adequate documentation to assure these waivers and alternative requirements are used only with respect to ESG- or ESG-CV-eligible activities the recipient or its subrecipients implemented to prevent, prepare for, and respond to coronavirus, including documentation demonstrating when their particular state or local government began preparing for coronavirus, such as notes on formal planning meetings or calls.

A. Means of Carrying Out Grant Activities. In general, the requirements at 24 CFR 576.202 apply, except as provided by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and MAP-21 Act changes clarified in [HUD Notice CPD-17-10](#) and as provided by the CARES Act waivers and alternative requirements below.

1. For states other than territories, but including the Commonwealth of Puerto Rico. The subgrant requirements and subrecipient limitations under section 414(a) and (c) of the McKinney-Vento Act, 24 CFR 576.2, and 24 CFR 576.202(a), which together require States to subgrant all of their funds except those used to carry out Homeless Management Information System (HMIS) activities and administrative activities to units of general purpose local government and private nonprofit organizations, are waived to the extent necessary to add the follow alternative requirements:

a. States may use up to 100 percent of grant funds awarded to carry out activities directly. This flexibility is needed to ensure that enough entities with capacity are available to administer ESG-CV funds and to provide additional administrative efficiency to States. However, before a State can use this flexibility to carry out ESG activities directly, the State's Consolidated Plan/Action Plan must specify the activities the State will carry out and the amount allocated for those activities, whether in the State's initial FY 2020 Action Plan submission or an amendment to its most recently approved Action Plan, and the State must submit the new certifications that HUD is providing in the Appendices to this Notice, as further explained in section VI, to account for this new program flexibility.

b. States may subaward funds to public housing agencies, as defined under section 3(b)(6) of the United States Housing Act of 1937, and local redevelopment authorities, as defined under state law. This flexibility is needed to ensure that there are enough entities with capacity available to administer ESG-CV funds.

c. States may subaward funds to Indian tribes and tribally designated housing entities. This flexibility is needed to ensure that States can effectively distribute their ESG-CV funds to prevent, prepare for, and respond to coronavirus among all populations who are homeless, at risk of homelessness, or receiving homeless assistance, including in Indian Areas, provided the Indian Tribe with jurisdiction over the Indian Area consents to receiving such assistance and the recipient coordinates such assistance with the Indian tribe.

d. The Commonwealth may subaward funds to an instrumentality of the Commonwealth, provided that the instrumentality has legal authority and capacity to carry out ESG activities. This flexibility is needed to assure there is sufficient capacity in the Commonwealth to administer the funds efficiently to prevent, prepare for, and respond to coronavirus.

2. For local governments and territories.

a. Local governments may subaward funds to Indian tribes and tribally designated housing entities. The limitations on eligible subrecipients of local governments under Section 414(c) of the McKinney-Vento Act and limitations on eligible subrecipients under 24 CFR 576.2 and 24 CFR 576.202(b) are waived to the extent necessary to allow a local government to subaward ESG-CV funds to Indian Tribes and Tribally Designated Housing Entities. This flexibility is needed to ensure local governments can effectively distribute their ESG-CV funds to prevent, prepare for, and respond to coronavirus among all populations who are homeless, at risk of homelessness, or receiving homeless assistance, including in Indian Areas, provided the Indian

tribe with jurisdiction over the Indian Area consents to receiving such assistance and the recipient coordinates such assistance with the Indian tribe.

b. Territories may subaward funds to an instrumentality or municipality. The limitations on eligible subrecipients under Section 414 of the McKinney-Vento Act and limitations on eligible subrecipients under 24 CFR 576.2 and 24 CFR 576.202(b) are waived to the extent necessary to allow a territory (i.e., the Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands) to subaward funds to an instrumentality or municipality, provided that the instrumentality or municipality has sufficient capacity and legal authority to carry out ESG activities. This flexibility is necessary to assure there is sufficient capacity in the territories to administer the funds efficiently to prevent, prepare for and respond to coronavirus.

3. Additional flexibility for Puerto Rico and the Territories.

The following flexibilities are provided in addition to the flexibilities established above in order to assure Puerto Rico and the territories have sufficient capacity to effectively and efficiently administer their ESG-CV funds to prevent, prepare for and respond to coronavirus. However, an instrumentality that is acting as the recipient may not also subaward funds to an instrumentality of the same government.

a. The definition of "State" in section 411 of the McKinney-Vento Homeless Assistance Act and 24 CFR 576.2 is waived to the extent necessary to allow a "State" to include an instrumentality of the Commonwealth of Puerto Rico that is authorized by:

- (i) The governor's written designation of the instrumentality to act on behalf of the Commonwealth with respect to the ESG Program; and
- (ii) Certification by the governor of the Commonwealth that the instrumentality meets each of the following criteria or evidence that otherwise shows the entity qualifies as an instrumentality of the Commonwealth under its local laws:
 - (a) The entity is used for a governmental purpose and performs a governmental function;
 - (b) The entity performs its function on behalf of the Commonwealth;
 - (c) The Commonwealth has the authority to appoint members of the governing body of the entity OR the control and supervision of the entity is vested in the Commonwealth's government;
 - (d) the Commonwealth's statutory authority is needed to create and/or use the entity; and
 - (e) No part of the net earnings inures to the benefit of any private shareholder, member or individual.

b. The definition of "State" in section 411 of the McKinney-Vento Homeless Assistance Act and the definition of "Territory" in 24 CFR 576.2 are waived to the extent necessary to allow these terms to include an instrumentality of a territory (i.e., the Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands) that is authorized by:

- (i) The Chief Executive of the territory's written designation of the instrumentality to act on behalf of the territory with respect to the ESG Program; and
- (ii) Certification by the Chief Executive of the territory that the instrumentality meets each of the following criteria or evidence that otherwise shows the entity qualifies as an instrumentality of the territory under its local laws:
 - (a) The entity is used for a governmental purpose and performs a governmental function;
 - (b) The entity performs its function on behalf of the territory;

- (c) The territory has the authority to appoint members of the governing body of the entity OR the control and supervision of the entity is vested in the Territory's government;
- (d) the territory's statutory authority is needed to create and/or use the entity; and
- (e) No part of the net earnings inures to the benefit of any private shareholder, member or individual.

B. Obligation, Expenditure, and Payment Requirements and Recapture Process.

1. **Obligation Deadlines.** To assure that all funding and flexibilities provided by the CARES Act and HUD under this Notice can be used as necessary to prevent, prepare for, and respond to coronavirus, HUD is waiving the regulatory obligation deadlines and standards for meeting those deadlines and establishing alternative requirements as follows. ESG-CV funds must be obligated by the recipient in accordance with 24 CFR 576.203(a)(1) and (2), except as provided below. The applicable period for obligating the recipient's total allocation of ESG-CV funds begins on the date HUD signed the recipient's grant agreement for the first allocation of ESG-CV funds. The obligation deadlines below apply to the both the first and second allocation of ESG-CV funds. HUD is also providing further flexibility for recipients (including States and non-States) to provide additional time to identify entities that have capacity and expertise to mitigate the impacts of coronavirus, including those who have not previously or recently received ESG funding.

a. Recipients that are states have:

- (i) 180 days from the date HUD signs the grant agreement to obligate funds for activities it will carry out directly, as permitted in Section III.A.1.a. This obligation may be evidenced by a written designation of a department within the government to carry out an eligible activity directly; and
- (ii) up to 240 days from the date HUD signs the grant agreement to obligate ESG-CV funds to subrecipients.

b. Recipients that are metropolitan cities, urban counties, or territories have up to 240 days from the date HUD signs the grant agreement to obligate ESG-CV funds.

2. **Expenditures.** The requirements at 24 CFR 576.203(b) generally apply, except that the provision that all of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient is waived and the following alternative requirements are established:

a. **Documentation in the Integrated Disbursement and Information System (IDIS).** Before drawing down funds for an activity, the recipient must enter complete, up-to-date information on that activity in the IDIS, including the total funding allocated to that activity and a description of how the activity prevents, prepares for, and responds to coronavirus. This requirement is necessary to assure the use of funds for eligible activities to prevent, prepare for, and respond to coronavirus and facilitate compliance with the CARES Act's reporting requirement, which is described in Section III.G.2 of this Notice.

b. Overall Deadline for Expending First and Second Allocations. All funds awarded to a recipient through the first and second allocations of ESG-CV funds must be expended for eligible activity costs by September 30, 2022. Establishing this standardized expenditure deadline for all recipients discourages recipients from delaying their expenditure deadline by delaying the execution of their grant agreements, thus making funds more quickly available to prevent, prepare for, and respond to coronavirus.

c. Progressive Expenditure Deadlines and Recapture Provisions. To ensure ESG-CV funds are spent quickly on eligible activities to address the public health and economic crises caused by coronavirus, the following alternative requirements are established:

(i) HUD may recapture up to 20 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 20 percent of that award by September 30, 2021.

(ii) HUD may recapture up to 80 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 80 percent of that award by March 31, 2022.

(iii) Prior to recapturing funds as described above, HUD will follow the enforcement process described in 24 CFR 576.501 and provide the recipient with an opportunity to provide a spending plan demonstrating to HUD's satisfaction that all of the recipient's ESG-CV funds from the first and second allocations will be expended by September 30, 2022.

d. Reallocation Process. HUD reserves its discretion to make subsequent waivers and alternative requirements to assure recaptured funds are reallocated in a manner consistent with the statutory purposes and conditions for ESG-CV funds.

C. Match. As provided by the CARES Act, ESG-CV funds are not subject to the match requirements that otherwise apply to the ESG Program.

D. Program Income. Because ESG-CV program income cannot be used as match without the ESG matching requirement, HUD is waiving the ESG provisions for program income under 24 CFR 576.2 and 576.407(c)(1) and establishing alternative requirements, as follows:

1. Program income is defined as provided by 2 CFR 200.1, except that:

a. Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient, as provided by 24 CFR 576.2; and

b. Costs that are incidental to generating program income and not charged to the ESG-CV grant or subgrant may be deducted from gross income to determine program income, as allowed under 2 CFR 200.307(b).

2. As allowed under 2 CFR 200.307(e), program income may be treated as an addition to the recipient's grant (or the subrecipient's subgrant, if the income is generated by the subrecipient's activities), provided that the program income is used in accordance with the purposes and conditions of that grant or subgrant. Program income otherwise must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1).

These changes to the otherwise applicable program income requirements are necessary to maximize the capacity and efficiency of ESG-CV recipients and subrecipients to prevent, prepare for, and respond to coronavirus.

E. Program Components and Eligible Activities. The requirements of 24 CFR Part 576 – Subpart B apply, except that:

1. **Emergency Shelter and Street Outreach Cap.** As provided by the CARES Act, the cap established for street outreach and emergency shelter activities in section 576.100(b) does not apply. Recipients may expend as much of their funding on street outreach and emergency shelter activities as needed to prevent, prepare for, and respond to coronavirus among people experiencing homelessness including mitigating the impacts caused by coronavirus. HUD strongly encourages recipients to coordinate housing and services for those individuals with the Continuum of Care in their geographical region.

2. **Pre-Award Costs.** To account for the urgent activities and costs ESG recipients and subrecipients have undertaken to prevent, prepare for, and respond to coronavirus, the recipient is authorized to use ESG-CV funds to cover or reimburse costs incurred before the period of performance provided that the cost to be covered or reimbursed would be otherwise allowable under the flexibilities and requirements established for ESG-CV funds and was incurred by a recipient or subrecipient on or after January 21, 2020 to prevent, prepare for, and respond to coronavirus.

An environmental review, as applicable, must be completed and a Request for Release of Funds must be approved in accordance with 24 CFR Part 58 and Section III.F.8 of this Notice, prior to a commitment to cover or reimburse with ESG funds.

3. **Additional Eligible Activities.** In addition to the eligible activities listed in 24 CFR 576 – Subpart B, funds may be used for the following activities:

a. **Temporary Emergency Shelters.** As permitted by the CARES Act, ESG-CV funds may be used to pay for temporary emergency shelters for individuals and families experiencing homelessness in order to prevent, prepare for, and respond to coronavirus.

(i) Eligible costs include:

(a) Leasing existing real property or temporary structures to be used as temporary emergency shelters;

(b) Acquisition of real property (e.g. hotels, ancillary structures, parking lots). The total amount of ESG-CV funds used for acquisition must not exceed \$2.5 million per real property;

(c) Renovation (including major rehabilitation and conversion) of real property (e.g., hotels) into temporary emergency shelters. Eligible costs include labor, tools, and other costs for renovation;

(d) Shelter operations costs including the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the temporary emergency shelter;

(e) Services, including essential services under 24 CFR 576.102(a)(1), housing search and placement services under 24 CFR 576.105(b)(1), and housing search and counseling services as

provided under 24 CFR 578.53(e)(8); except as otherwise stated in this Notice or 24 CFR part 576.408; and

(f) Other shelter costs HUD pre-approves in writing.

(ii) Requirements:

(a) As permitted by the CARES Act, the use of funds for these shelters will not be subject to the habitability standards under section 417(c) of the McKinney-Vento Act, shelter standards at 24 CFR 576.403(b), or the environmental review requirements that otherwise apply to the use of ESG funds if the shelters have been determined by state or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. The CARES Act exemption of ESG habitability standards and environmental review requirements do not exempt recipients and subrecipients from complying with state and local laws (such as safety or sanitation codes) that apply on their own terms to the recipient or subrecipient's activities and do not conflict with Federal law. Additionally, recipients and subrecipients must still comply with nondiscrimination and applicable accessibility requirements, including requirements under Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, the Fair Housing Act, and their implementing regulations. See also 24 CFR 576.407(a);

(b) These temporary emergency shelters shall not be subject to the minimum periods of use required by section 416(c)(1) of the McKinney-Vento Act and 24 CFR 576.102(c) and shall be considered as excluded by law from any certifications recipients submit pursuant to 24 CFR 91.225(c)(1) through (c)(4) or 91.325(c)(4)(i) through (c)(4)(iv); however, if funds were used for acquisition or renovation (including conversion or major rehabilitation), the property's use and disposition will be subject to the requirements provided in section III.E.3.a(iii) of this Notice.

(c) In addition to the records required at 24 CFR 576.500, the recipient must retain documentation that the property or structure or portion of a structure used as temporary emergency shelter met the definition of temporary emergency shelter during the time it was so used. For example, a recipient could document that the property is typically a hotel and is only being used as an emergency shelter for the period of time that public health officials determine special measures are needed to prevent the spread of coronavirus;

(d) Whether or not services are provided as part of temporary emergency shelter, the recipient or subrecipient must assure that for each program participant receiving shelter, the individual or family's service needs are evaluated as required by 24 CFR 576.401(a) and appropriate services are made available as needed in accordance with 24 CFR 576.401(d)), and a program participant in temporary emergency shelter shall be eligible to receive essential services from the recipient or subrecipients other than the program participant's shelter provider;

(e) A temporary emergency shelter may provide space for program participants to receive services consistent with 24 CFR 576.401(d) even if the services are not ESG-funded or not funded as part of the shelter project;

(f) Program participants cannot be required to sign leases or occupancy agreements, receive treatment, or perform any other prerequisite activities as a condition for staying in any shelter or receiving services; and

(g) In all other respects, the funding and operation of temporary emergency shelters must comply with the ESG-CV requirements for emergency shelters under this Notice and 24 CFR part 576.

(iii) Additional requirements for property acquired or improved with ESG-CV funds. When the property is determined no longer necessary or appropriate for use as a temporary emergency shelter, as defined in this Notice, the property may be converted for use as an emergency shelter as described below without triggering the disposition requirements in 2 CFR 200.311(c). However, when it becomes unnecessary or impracticable to use the property either as temporary emergency shelter or emergency shelter, as described in this Notice, the owner of the property must obtain disposition instructions from HUD as provided by 2 CFR 200.311(c).

(a) Before conversion to use as a normal emergency shelter under 24 CFR part 576, the property must undergo a satisfactory environmental review pursuant to 24 CFR part 58 and must be inspected and determined to meet the minimum shelter standards in 24 CFR 576.403.

(b) The recipient must notify HUD when it begins using the property as an emergency shelter as defined in 24 CFR 576.2 and must report the status of the property to HUD either on an annual basis or at a lesser frequency that HUD may specify as provided by 2 CFR 200.330.

(c) The recipient must maintain up-to-date documentation showing the property is being used as an emergency shelter as defined in 24 CFR 576.2 and operated in accordance with all requirements that apply to emergency shelters under 24 CFR part 576, subpart E;

(d) If the property was renovated with ESG-CV funds (including major rehabilitation or conversion), the property must be used as an emergency shelter under these requirements for at least the period specified in 24 CFR 576.102(c)(1), beginning on the date the building is first occupied by a homeless individual or family after the renovation.

(e) On or before the conversion of the property to an emergency shelter as defined in 24 CFR 576.2, the recipient must record a lien or other appropriate notice of record to indicate that the property has been acquired or improved with a Federal award and that the use and disposition conditions above apply to the property.

b. Training. As permitted by the CARES Act, ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness and the use of funding shall not be considered administrative costs for purposes of the 10 percent cap. In addition, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for training on infectious disease prevention and mitigation for homeless assistance providers, including those who do not receive funding through the CARES Act, to help them best prevent,

prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. These training costs are eligible as a standalone activity and are not to be charged to an activity under 24 CFR 576.101 to 24 CFR 576.109.

c. Hazard Pay. As permitted by the CARES Act, funds may be used to pay hazard pay for recipient- or subrecipient-staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of recipient or subrecipient staff working directly in support of coronavirus response include emergency shelter intake staff, street outreach teams, emergency shelter maintenance staff, emergency shelter security staff, staff providing essential services (e.g., outpatient health or mental health, housing navigators), and staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus.

d. Handwashing Stations and Portable Bathrooms. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a) for installing and maintaining handwashing stations and bathrooms (e.g., porta potties) in outdoor locations for people experiencing unsheltered homelessness. Allowing ESG-CV funds to pay for the costs of handwashing stations and bathroom facilities will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to bathrooms and the ability to wash their hands.

e. Landlord Incentives. The limitations on eligible activities under section 415(a) of the McKinney-Vento Act and 24 CFR 576.105 are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.105 to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. However, a recipient may not use ESG-CV funds to pay the landlord incentives set forth below in an amount that exceeds three times the rent charged for the unit. Waiving the limitation on eligible costs under housing relocation and stabilization services to pay for the costs of landlord incentives will increase the number of housing units available for quickly re-housing people experiencing homelessness or at risk of homelessness, especially in tight rental markets, which is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis. The limitation to three times the rent charged for each unit ensures enough ESG-CV funds remain available to provide other eligible activities necessary to prevent the spread of coronavirus. Eligible landlord incentive costs include:

- (i) Signing bonuses equal to up to 2 months of rent;
- (ii) Security deposits equal to up to 3 months of rent (these are separate from the costs of security deposits under 24 CFR 576.105(a) and, therefore, does not factor into the cap established in that section);
- (iii) Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
- (iv) Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

To support these costs, the recipient must determine and document that each of these costs is reasonable under the program participant's particular circumstances, and not more than is necessary to house the program participant.

f. Volunteer Incentives. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak. Waiving this requirement to allow the payment of reasonable costs of volunteer incentives will increase the number of people available to provide the needed services and connections to housing to individuals and families experiencing homelessness to prevent the spread of coronavirus.

g. Cell Phones and Internet. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for the costs of providing temporary cell phones for individuals and families experiencing homelessness, receiving rapid re-housing assistance under the Continuum of Care (CoC) Program, Youth Homelessness Demonstration Program (YHDP), and ESG Program, receiving homelessness prevention assistance under the ESG Program, or residing in permanent supportive housing funded under the CoC and YHDP Programs. To qualify as an eligible cost, the cell phone must be owned by the recipient/subrecipient, and the wireless service plan must be the recipient/subrecipient's, but the phone may be loaned to program participants and the wireless service cost may be paid as needed to enable program participants to participate in activities necessary to obtain or maintain housing (e.g., to interview for jobs, to receive health and mental health services, or to continue education). The phone and phone service may be loaned to the participant while stay-at-home or social distancing orders are in effect in the community in which the program participant resides, or while they continue to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after social distancing measures are relaxed and must be returned to the recipient/subrecipient when no longer necessary for these purposes. Waiving the limitations on eligible costs under street outreach, emergency shelter, and housing relocation and stabilization services and allowing ESG-CV funds to pay for these costs will allow individuals and families experiencing homelessness, or receiving rapid re-housing or homelessness prevention assistance, or residing in permanent supportive housing to participate in important activities. Such activities include interviewing for jobs and receiving services necessary to obtain and maintain housing during the period that stay-at-home and social distancing measures are in effect to avoid exposure to and prevent the spread of coronavirus, as well as to continue participating in these activities to the extent that they remain virtual even after social distancing measures are relaxed (e.g., continued virtual employment and education) in order to obtain and maintain housing during the economic downturn caused by coronavirus.

h. Personal Protective Equipment (PPE) for Program Participants. While ESG-CV funds can currently be used to purchase PPE for program participants as an essential service under emergency shelter and street outreach and as necessary to participate in eligible activities under rapid re-housing and homelessness prevention assistance, the limitations on eligible activities provided in section 415(a) and 24 CFR 576.105(b) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy PPE (such as masks, disposable gloves, and hand sanitizer) for program participants receiving homelessness prevention and rapid re-housing assistance to the extent the program participant needs the PPE to avoid exposure to and prevent the spread of coronavirus (e.g., to go out in public or enter common areas of housing).

i. Furniture and Household Furnishings. The limitations on eligible activities provided in 24 CFR 576.105(b) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy furniture and household furnishings for use by program participants while they are receiving homelessness prevention and rapid re-housing assistance. Furniture and other household furnishings can help establish program participants in housing, which can contribute to housing stability. Therefore, this waiver and alternative requirement are necessary to help program participants obtain and maintain housing, which is critical to preventing the spread of coronavirus during the period that stay-at-home and social distancing measures are required or recommended. This waiver and alternative requirement are also needed in order to respond to coronavirus by assuring program participants can still obtain and maintain housing during the economic downturn caused by coronavirus when their incomes and resources are not enough to obtain the furniture necessary to contribute to housing stability. Additionally, recipients are reminded that if ESG-CV funds are used to purchase household furnishings, they will be subject to the requirements for equipment at 2 CFR 200.313, including the disposition requirements included in paragraph (e) of that section.

j. Essential Services for Individuals and Families Receiving Rapid Re-housing and Homelessness Prevention Assistance. The limitation on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR 576.102(a)(1), 24 CFR 576.103, and 24 CFR 576.104 are waived to the extent necessary to allow ESG-CV funds to be used for the costs of providing essential services established at 24 CFR 576.102(a)(1) to program participants receiving rapid re-housing and homelessness prevention assistance as necessary to assist them to obtain and maintain housing. Recipients are reporting that program participants receiving rapid re-housing and homelessness prevention assistance require services beyond those allowed at 24 CFR 576.105(b) – such as mental health services, outpatient health services, transportation, substance abuse services – to help them obtain and maintain housing. Therefore, this waiver and alternative requirement are necessary to help program participants obtain and maintain housing, which is critical to preventing the spread of coronavirus and mitigating its impact on program participants during the economic downturn caused by coronavirus.

k. Centralized or Coordinated Assessment. The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR Part 576, subpart B are waived to the extent necessary to authorize ESG-CV funds to be used to pay for the additional costs needed to update, enhance, and operate the applicable centralized or coordinated

assessment system under 24 CFR 576.400(d) to prevent, prepare for, and respond to coronavirus, subject to the following alternative requirements:

(i) The cost documentation must show that the use of ESG-CV funds is limited to the increase in system costs due to coronavirus; and

(ii) The recipient's use of funds for this activity must be coordinated with the applicable Continuum of Care to ensure ESG-CV funding is used for the most critical centralized or coordinated assessment needs to allow the CoC to quickly prioritize and refer to assistance individuals and families experiencing homelessness and at risk of homelessness. Assuring the centralized or coordinated assessment system remains capable of quickly prioritizing and connecting individuals and families to appropriate housing and services is necessary to prevent the spread of coronavirus and to mitigate the economic impact by providing stability in housing to eligible individuals and families.

I. Renters Insurance. The limitations on eligible activities provided in 24 CFR 576.105(a) are waived to the extent necessary to authorize ESG-CV funds to pay for renters insurance for program participants receiving rapid re-housing or homelessness prevention assistance. In order to pay for renters insurance for program participants, the recipient or subrecipient must:

(i) demonstrate that the payment of renters insurance is necessary to obtain or maintain housing (e.g., the landlord requires renters to have renters insurance to reside in the unit); and

(ii) pay the renters insurance directly to the insurance company on behalf of the program participant.

Recipients and subrecipients report that some landlords require their renters to carry renters insurance and many program participants do not have the funds available to pay for renters assistance. Therefore, in these cases when renters insurance is required by a landlord, this waiver and alternative requirement is necessary to help program participants obtain and maintain housing, which is necessary to both prevent the spread of coronavirus and help program participants obtain and maintain housing in tight rental markets during the economic downturn caused by coronavirus.

m. Vaccine Incentives. The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR Part 576, Subpart B are waived to the extent necessary to authorize recipients and subrecipients to make direct, cash payments of up to \$50 per dose to people experiencing homelessness as an incentive for receiving a coronavirus vaccine. ESG-CV funds may only be used for vaccine incentives to the extent that other vaccine incentives are inaccessible or unavailable to people experiencing homelessness within the community. Receiving the vaccine is critical to preventing the spread of coronavirus. However, getting vaccinated, including following up with the second dose required by some of the available vaccines, can be particularly challenging for people who do not have a stable place to call home. Research has demonstrated that providing incentives to people, including those experiencing homelessness, to receive vaccines increases the uptake of vaccination. Therefore, this waiver and alternative requirement is necessary to assure people experiencing homelessness receive vaccination and prevent the spread of coronavirus.

n. Laundry. The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR.576.101(a) for the costs of providing laundry services to prevent the spread of coronavirus among individuals and families experiencing unsheltered homelessness, including by paying for laundry trucks to outdoor locations where people are residing. Allowing ESG-CV funds to pay for the costs of laundry services will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to laundry which cleans and disinfects clothing.

o. Sponsor-based Rental Assistance. As an alternative to tenant-based rental assistance and project-based rental assistance, sponsor-based rental assistance may be funded as provided below when necessary to use rapid re-housing and homelessness prevention assistance to re-house program participants quickly in permanent housing where landlords might not otherwise be willing to rent to them. Adding this flexibility is critical to limiting the spread of coronavirus among individuals and families experienced or at risk of homelessness and helping them obtain housing in tight rental markets during the economic downturn caused by coronavirus. Accordingly, the following waivers and alternative requirements are established for the provision of sponsor-based rental assistance with ESG-CV funds:

(i) The limitation of rental assistance to tenant-based rental assistance and project-based rental assistance in 24 CFR 576.106(a)(4) is waived, and 24 CFR 576.106(h) and (i) will not apply.

(ii) The recipient or subrecipient must execute a sponsor-based rental assistance agreement with a separate government agency, instrumentality, or nonprofit organization ("sponsor") to subsidize the rent of program participants who are referred to be housed in units owned or leased by the sponsor. The rental assistance agreement may cover one or more permanent housing units owned or leased by the sponsor. Each unit covered by the rental assistance agreement ("sponsored unit") may only be occupied by program participants, except as provided under paragraph (iii) below. Under no circumstances may the rental assistance agreement commit ESG funding to be expended or provide assistance beyond the applicable period of performance for the funding.

(iii) The recipient or subrecipient may pay up to 100 percent of the rent for the first month that the sponsored unit becomes available for rent to a new program participant, provided that a program participant signs a lease and moves into the unit before the end of the month for which that first month's rent is paid. This payment must not exceed the rent to be charged under the new program participant's lease, and unless the program participant moves in during the last half of the month that is paid, this payment must be included when determining that program participant's total rental assistance. This payment may be at the beginning of the agreement or after the payment permitted under paragraph (iv) below, as long as payments are made for different months.

(iv) The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month a sponsored unit is leased to a program participant, except that if a program participant moves out of a sponsored unit before expiration of the rental assistance agreement, the recipient or subrecipient may use ESG-CV funds to cover up to 100 percent of

the rent for the unit for up to 30 days from the end of the month in which the unit was vacated, while recipient or subrecipient work together with the sponsor to house another eligible program participant in that unit. This payment will not count toward the total rental assistance provided to the next program participant housed in the unit, unless the program participant moves in during the first half of the month that is paid using this flexibility. The limitations on eligible activities in section 415(a) of the McKinney-Vento Act are waived to the extent they would prohibit these payments.

(v) The initial requirement in 24 CFR 576.404(a), which prohibits conditioning any type or amount of ESG assistance on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient, is waived to the extent necessary to require that the program participant rent a unit owned by the sponsor to benefit from this form of rental assistance. However, in no case may a recipient or subrecipient execute a sponsor-based rental assistance agreement with itself or its parent or subsidiary organization.

(vi) In all other respects, sponsor-based rental assistance must be administered in accordance with the same requirements that apply to tenant-based and project-based rental assistance under 24 CFR part 576, the waivers and alternative requirements in this Notice, and other applicable ESG waivers; except that the references to "owner" and "housing owner" will be understood to refer to the "sponsor," when those terms appear in 24 CFR 576.105, 576.106, 576.409, and 576.500(h); the references to "lease" in 24 CFR 576.105, 576.106, 576.409, and 576.500(h) will be understood to refer to the lease or sublease (as applicable) between the program participant and the sponsor for the "sponsored unit" in which the program participant will reside; and the references to "project-based rental assistance" in 24 CFR 576.409 will be understood to refer to "sponsor-based rental assistance."

4. Waivers, Alternative Requirements and Statutory Flexibilities for Existing Eligible Activities.

a. Eligibility for Homelessness Prevention Assistance. The requirements at 24 CFR 576.103 that provide that individuals or families who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition in 24 CFR 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD, are eligible for homelessness prevention assistance is waived and an alternative requirement is established where individuals and families who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition and have an annual income that does not exceed the Very Low Income Limit for the area as established by HUD for HUD's Section 8 and Public Housing Programs at www.huduser.gov/portal/datasets/il.html, are eligible for homelessness prevention assistance. This alternative requirement will ease administrative burden for recipients and subrecipients by establishing a single income limit for households qualifying for homelessness prevention assistance and assist more households maintain housing and prevent homelessness which is necessary to prevent the spread of coronavirus.

b. Short-Term and Medium-Term Rental Assistance.

(i) Providing rental assistance in units with rents above Fair Market Rent (FMR). The requirement at 24 CFR 576.106(d) that prohibits rental assistance where the rent for the unit

exceeds the FMR established by HUD, as provided under 24 CFR Part 888, is waived so long as the rent complies with HUD's standards of rent reasonableness, as established under 24 CFR 982.507. Waiving this requirement will allow recipients to help program participants move quickly into housing or retain their existing housing, which is especially critical to reducing the spread of coronavirus and responding to coronavirus. This waiver provides additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients to provide rental assistance for program participants, whose current rent exceeds the FMR and by allowing recipients to use this waiver as needed throughout the period they are providing rental assistance to prevent, prepare for, and respond to coronavirus.

(ii) The limitations in section 415(a)(4) of the McKinney-Vento Act and 24 CFR 576.106(i)(3) are waived to the extent necessary to establish the following alternative requirement for project-based rental assistance provided under 24 CFR 576.106(i): The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant, except that if a program participant moves out of an assisted unit before expiration of the agreement, the recipient or subrecipient may use ESG-CV funds to cover up to 100 percent of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated, while the recipient or subrecipient attempts to house another eligible program participant in that unit. This payment will not count toward the total rental assistance provided to the next program participant housed in the unit, unless the program participant moves in during the first half of the month that is paid using this flexibility. This payment will not prevent paying up to 100 percent of the first month's rent for the new program participant as provided under 24 CFR 576.106(i)(2), as long as the payments are made for different months. This flexibility is necessary to assure recipients and subrecipients can maintain the availability of assisted units in which individuals and families experiencing or at risk of homelessness can be quickly re-housed, which is critical to preventing the spread of coronavirus and helping individuals and families experiencing and at risk of homelessness obtain housing in tight rental markets during the economic downturn caused by coronavirus.

c. Administrative Costs. As permitted by the CARES Act, a recipient may use up to 10 percent of its total ESG-CV grant for administrative costs specified in 24 CFR 576.108.

d. No Cap for Emergency Shelter and Street Outreach Activities. As permitted in the CARES Act, ESG-CV funds may be used for emergency shelter and street outreach activities without regard to the spending cap established by section 415(b) of the McKinney-Vento Act and 24 CFR Part 576.100(b). The same flexibility applies to using ESG-CV funds to establish and operate temporary emergency shelters.

e. Hotel/Motel Costs. As permitted under 24 CFR 576.102(a)(3), eligible costs include a hotel or motel voucher for homeless individuals and families where no appropriate emergency shelter is available. Additionally, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for the following hotel or motel costs for individuals and families experiencing homelessness, receiving rapid re-housing assistance under the CoC or ESG Programs, receiving homelessness prevention

assistance under the ESG Program, or residing in permanent supportive housing. The recipient or subrecipient may pay for a hotel or motel room directly or through a hotel or motel voucher. Additionally, funds can be used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear and tear of the room. Further, funds can be used to provide essential services as established at 24 CFR 576.102(a)(1) to program participants residing in these hotels. These flexibilities are provided to allow recipients to secure hotel and motel rooms more quickly to be available when needed to prevent the spread of coronavirus (for example, when a program participant needs to isolate to keep from spreading the virus to other shelter occupants or household members) and to meet the service needs of program participants while they are residing there.

f. **Housing Stability Case Management.** Providing housing stability case management is necessary to help program participants maintain housing; however, recipients are reporting that the limitation of 30 days for providing housing stability case management while the program participant is seeking housing does not often provide enough time to help a program participant obtain new housing, particularly in tight rental markets and where landlords are reluctant to rent to households with limited income. Therefore, HUD is waiving the 30-day limit established in 24 CFR 576.105(b)(2) to the extent necessary to allow recipients or subrecipients to provide up to 60 days of housing stability case management while the program participant is seeking housing. This waiver and alternative requirement is necessary to help recipients and subrecipients continue to assist program participants in obtaining new housing, which is crucial to preventing the spread of coronavirus, and will continue to be necessary after social distancing measures are no longer in effect but rental markets remain tight due to the economic downturn caused by coronavirus.

g. **Helping Current ESG Program Participants Maintain Housing.** In order to ensure current program participants receiving homelessness prevention and rapid re-housing assistance do not lose their housing during the coronavirus public health crisis and the subsequent economic downturn caused by the crisis, the requirements in 24 CFR 576.105(c) and 576.106(a) are waived as follows:

(i) The requirement at 24 CFR 576.105(c) limiting the total period of time for which any program participant may receive the services under paragraph (b) to 24 months during any 3-year period is waived; and

(ii) The requirement at 24 CFR 576.106(a) limiting the total number of months a program participant can receive rental assistance to 24 months in a 3-year period is waived.

h. **HMIS Lead Activities.** The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR Part 576, subpart B are waived to the extent necessary to authorize ESG funds to be used under 24 CFR 576.107 to pay for HMIS costs beyond where they are related to collecting data on ESG program participants and ESG Program activities to the extent they are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. Additionally, 24 CFR 576.107 that limits recipients to paying for the costs at 24 CFR 576.107(b) is waived to allow recipients that are not the HMIS Lead, as designated by the Continuum of Care, to pay for costs at 24 CFR 576.107(b), either directly or by sub-granting to

the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that the HMIS costs are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. This waiver and these alternative requirements provide additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients who are not also HMIS Leads to pay for the costs eligible at 24 CFR 576.107(b) and lifting the 6-month limit on the waiver so that this flexibility applies throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus. Additionally, this waiver provides additional flexibility for ESG funds to be used on HMIS costs even when they are not related to ESG program participants or ESG activities when necessary to collect and report better data about the impact of coronavirus across the community. These flexibilities will allow communities to collect data that is necessary to coordinate and report on activities to prevent, prepare for, and respond to coronavirus among individuals and families experiencing homelessness, at risk of homelessness, and receiving homeless assistance.

i. Legal Services. Legal services established in 24 CFR 576.102(a)(1)(vi) and 24 CFR 576.105(b)(4) are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside.

j. Assisting Program Participants with Subleases. To the extent that the references to “owner” and “lease” in 24 CFR 576.105 and 576.106 restrict program participants from receiving assistance in units they sublease from the primary leaseholder, that restriction is waived and the following alternative requirement is established: When a program participant chooses to rent a unit through a legally valid sublease with the primary leaseholder for the unit, the terms “owner” and “housing owner” are waived and replaced with “primary leaseholder,” and the term “lease” will be understood to refer to the sublease, when those terms appear in 24 CFR 576.105, 576.106, 576.409, and 576.500(h). This additional flexibility will expand the permanent housing options for individuals and families experiencing and at risk of homelessness, which is critical to preventing the spread of coronavirus and helping individuals and families experiencing and at risk of homelessness obtain housing in tight rental markets during the economic downturn caused by coronavirus.

F. Program Requirements. The requirements at 24 CFR part 576, subpart E apply, except as otherwise established in this Notice.

1. Activities Carried out in Indian Areas. ESG recipients may carry out activities in Indian Areas. Recipients carrying out projects in Indian Areas through employees, contractors, or subrecipients must obtain the consent of the Indian tribe with jurisdiction over the Indian Area.
2. Consultation with the Continuum of Care. As provided under the CARES Act, ESG-CV funds are not subject to the CoC consultation requirements at 24 CFR 576.400(a).
3. Coordination with Other Targeted Homeless Services. To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(b) are waived.

4. System and Program Coordination with Mainstream Resources. To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(c) are waived.

5. Centralized or Coordinated Assessment, Written Standards for Administering Assistance, and HMIS. With respect to costs incurred between January 21, 2020 and June 30, 2020 that are allowable under this Notice but not under 24 CFR Part 576, the requirements to use the CoC's centralized or coordinated assessment under 24 CFR 576.400(d), administer the assistance in accordance with written standards as provided under 24 CFR 576.400(e), and participate in HMIS under Section 416(f) of the McKinney-Vento Act and 24 CFR 576.400(f) are waived for the first 60 days of the project's operation. HUD has determined this waiver is necessary to allow jurisdictions to quickly implement activities necessary to prevent the spread of coronavirus and account for the time needed to integrate these activities into centralized or coordinated assessment and HMIS, and revise the written standards for administering assistance to account for the new program flexibilities.

6. Housing Stability Case Management. As required by 24 CFR 576.401(a) and (c), the recipient and its subrecipient must determine the available services and assistance that each ESG-CV program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its subrecipient must assist each ESG-CV program participant, as needed, to obtain those services and assistance. However, HUD is making an across-the-board waiver of the ESG requirement in 24 CFR 576.401(e)(1) that housing stability case managers meet not less than once per month with each program participant receiving homelessness prevention or rapid re-housing assistance. HUD is waiving this requirement for all program participants receiving this assistance after qualifying as homeless, in order to be consistent with the CARES Act prohibition stated in Section III.F.12. Additionally, HUD is waiving the requirement for all program participants receiving assistance after qualifying as at risk of homelessness, in order to prevent the spread of coronavirus and reduce the barriers to providing the homelessness prevention that is necessary to respond to coronavirus. This waiver provides additional regulatory relief beyond the waiver HUD made available on March 31, 2020 for annual ESG funds and extended on May 22, 2020 for annual ESG funds and ESG-CV funds, by lifting the 3-month limitation established May 22, 2020, and making the waiver of 24 CFR 576.401(e)(1) apply throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus.

7. Shelter and Housing Standards. The requirements at 24 CFR 576.403 apply to all emergency shelter and housing supported with ESG funds except as provided below:

a. Lead-Based Paint Remediation and Disclosure Requirements. The lead-based paint remediation and disclosure requirements of 24 CFR 576.403(a) apply to all shelters for which ESG-CV funds are used and all housing occupied by program participants.

b. Temporary Emergency Shelter. The habitability requirements at 24 CFR 576.403(b) do not apply to temporary emergency shelters that have been determined by state or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. However, recipients and subrecipients must still comply with nondiscrimination and applicable accessibility

requirements, including requirements under Section 504 of the Rehabilitation Act, the Fair Housing Act, the Americans with Disabilities Act, and their implementing regulations. See also 24 CFR 576.407(a).

c. **Habitability Inspections when Providing Housing Relocation and Stabilization Services – Homelessness Prevention.** The requirement at 24 CFR 576.403(c) that recipients and subrecipients may not use ESG funds to help a program participant remain in housing that does not meet minimum habitability standards outlined in that section is waived to the extent necessary to allow the recipient or subrecipient to provide housing relocation and stabilization services under 24 CFR 576.105(b) to help individuals and families remain in their existing housing or move into new housing. During the coronavirus pandemic the best way to help prevent the spread of coronavirus is to help individuals and families at risk of homelessness maintain their current housing or remain in their existing housing until a different housing unit can be identified. Additionally, the coronavirus pandemic created an economic downturn that put many at risk of losing their housing, including housing they rent or share with others. Providing housing relocation and stabilization services can help these households maintain their current housing by avoiding eviction records or additional economic insecurity caused by having to pay security deposits and other costs related to renting a new unit. Therefore, allowing recipients and subrecipients to provide housing relocation and stabilization services under the homelessness prevention component is necessary to prevent, prepare for, and respond to coronavirus. This alternative requirement does not waive the requirements at 24 CFR 576.403(c) with respect to other activities under the homelessness prevention component or with respect to any activity under the rapid re-housing component.

8. **Environmental Review Requirements.** Except as otherwise provided in this notice for temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus, “responsible entities” (as defined in 24 CFR 58.2) must assume all of the responsibilities with respect to environmental review, decision making, and action required under 24 CFR Part 58. Also, as required by 24 CFR 58.4(a), when a State distributes funds to a responsible entity, the State must provide for appropriate procedures by which these responsible entities will evidence their assumption of environmental responsibilities. In accordance with these requirements and section 100261(3) of the MAP-21 Act, 24 CFR 576.407(d) does not apply.

Environmental regulations at 24 CFR 58.22 prohibit ESG recipients and any other participant in the development process from committing HUD or non-HUD funds to a project until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, if applicable. In addition, until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

Emergency Environmental Review Procedures: HUD’s environmental review regulations in 24 CFR Part 58 include two provisions that may be relevant to environmental review procedures for activities to prevent, prepare for, or respond to coronavirus. The first is 24 CFR § 58.34(a)(10),

which provides an exemption for certain activities undertaken in response to a national or locally declared public health emergency. The second is a streamlined public notice and comment period in the regulation at 24 CFR 58.33, which may apply in some cases for emergency activities undertaken to prevent, prepare for, or respond to coronavirus. The application of these two provisions following a presidentially-declared or locally-declared public health emergency are discussed in the Notice, Guidance on conducting environmental review pursuant to 24 Part 58 for activities undertaken in response to the public health emergency as a result of COVID-19 (available at: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-07cpdn.pdf>).

9. Procurement. As provided by the CARES Act, the recipient may deviate from the applicable procurement standards (e.g., 24 CFR 576.407(c) and (f) and 2 CFR 200.317-200.326) when procuring goods and services to prevent, prepare for, and respond to coronavirus. If the recipient deviates from its procurement standards then the recipient must establish alternative written procurement standards, and maintain documentation on the alternative procurement standards used to safeguard against fraud, waste, and abuse in the procurement of goods and services to prevent, prepare for, and respond to coronavirus. This alternative requirement is necessary to ensure the funds are used efficiently and effectively to prevent, prepare for, and respond to coronavirus. Notwithstanding this flexibility, the debarment and suspension regulations at 2 CFR part 180 and 2 CFR part 2424 apply as written.

10. Prohibition Against Duplication of Benefits. Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.) prohibits duplication of benefits for programs that provide financial assistance to people or entities suffering losses because of a major disaster or emergency. "Duplication of benefits" occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs. Recipients must establish and maintain adequate procedures to prevent any duplication of benefits with ESG-CV funds. HUD will issue additional guidance to facilitate compliance with this requirement.

11. Prohibitions on Internet and Telecommunications Equipment. The use of ESG-CV funds to maintain or establish any computer network is subject to the prohibition in section 417 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2020 (Pub. L. 116-94, Div. H, §417), which section 23003 of the CARES Act applies to all CARES Act funding. Recipients and subrecipients must comply with the prohibition on certain telecommunications and video surveillance services or equipment under 2 CFR 200.216. Recipients and subrecipients must take reasonable steps to prevent payment of ESG funds for use of internet and telecommunications equipment for unauthorized purposes and activities prohibited by Federal, state, or local law.

12. Provision of Supportive Services. Although HUD strongly encourages the use of supportive services when necessary, as required by the CARES Act, individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, rental assistance, or other services provided with ESG-CV funds.

13. Re-evaluations.

a. As required by 24 CFR 576.401(b), the recipient or subrecipient must re-evaluate a program participant's eligibility and the types and amounts of assistance the program participant needs in accordance with the requirements of that section. However, HUD is waiving 24 CFR 576.401(b)(i), which requires that the re-evaluation must verify the program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD, and establishing the alternative requirement that the re-evaluation must verify the program participant does not have an annual income that exceeds the Very Low-Income limit for the area, as established for HUD's Section 8 and Public Housing programs at www.huduser.gov/portal/datasets/il.html. HUD has determined that increasing the annual income allowance for program participants receiving rapid re-housing and homelessness prevention assistance will help program participants maintain housing, thus preventing the spread of coronavirus.

b. 24 CFR 576.401(b), which requires recipients or subrecipients providing homelessness prevention assistance to re-evaluate a program participant's eligibility, and the types and amounts of assistance the program participant needs not less than once every three months is waived so long as recipients and subrecipients providing homelessness prevention assistance re-evaluate a program participant's eligibility, and the types and amounts of assistance the program participant needs, not less than once every six months. HUD has determined this waiver and alternative requirement is necessary to help program participants remain stable in housing during the economic uncertainty caused by coronavirus. This waiver and alternative requirement provide additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by lifting the two-year limit on the waiver so that this flexibility applies throughout the period the recipient uses funds to prevent, prepare for, and respond to coronavirus.

14. As required by 24 CFR 576.403(c), the recipient or subrecipient cannot use ESG-CV funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in that section. However, HUD is waiving this requirement for recipients or subrecipients who apply the applicable Housing Quality Standards (HQS) under 24 CFR 982.401, except 24 CFR 982.401(j) need only be applied to housing occupied by program participants receiving tenant-based rental assistance. HUD has determined waiving the requirement at 24 CFR 576.403(c) is necessary to allow recipients and subrecipients to use the housing inspection process with which they are most familiar, easing administrative burden, while continuing to ensure housing meets minimum quality standards and quickly housing or helping program participants maintain housing thus preventing the spread of coronavirus.

G. Reporting Requirements. The requirements at 24 CFR 576.500 apply except as otherwise established in this Notice

1. Reporting Requirement. Recipients will be required to report on uses of the ESG-CV funds through submission of project data to the Sage HMIS Repository. In addition to the Consolidated Annual Performance and Evaluation Report (CAPER), recipients are required to submit quarterly reports to HUD regarding their ESG-CV grants 30 days after the close of each

quarter. Recipients will submit data on program participants served, report on expenditures, and provide narratives on unique CARES Act activities.

2. Additional CARES Act Reporting. Section 15011 of the CARES Act requires that recipients of \$150,000 or more of CARES Act funding submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding the amount of funds received; the amount of funds obligated or expended for each project or activity; a detailed list of all such projects or activities, including a description of the project or activity; and detailed information on any subcontracts or subgrants awarded by the recipient. As outlined in the Office of Management and Budget (OMB) memorandum, M-20-21, existing reporting requirements are anticipated to meet the requirements of section 15011, but the content and format for this reporting is still under development and will need to be reviewed against current program practices. HUD will work in coordination with OMB to ensure that this requirement can be fulfilled by recipients of CARES Act funding in a manner that utilizes to the greatest extent possible existing reporting streams, providing the necessary transparency and accountability with minimal additional burden. If additional reporting is necessary, HUD will release further guidance in the near future.

IV. PRIOR ESG APPROPRIATIONS

A. Applicability of this Notice to Annual ESG Funds. In accordance with the authority provided by the CARES Act, the same flexibilities (including statutory exemptions, waivers, and additional eligible activities) established for ESG-CV funds in the CARES Act and this Notice apply to FY2020 and prior fiscal year ESG funds ("annual ESG funds") a recipient uses to prevent, prepare for, and respond to coronavirus until September 30, 2022, subject to the following conditions:

1. If the recipient has not already done so, it must identify the specific activities and funding allocated to prevent, prepare for, or respond to coronavirus in the IDIS activity description before drawing down funds in accordance with the flexibilities provided in this Notice;
2. The recipient must report the amount of annual ESG funds expended to prevent, prepare for, and respond to coronavirus in the CAPER by component type for each annual grant;
3. The recipient must amend its consolidated plan in accordance with 24 CFR 576.200(b) and 24 CFR 91.550, subject to any applicable HUD waivers and the conditional ESG-CV exemption from consultation and citizen participation requirements;
4. The recipient must develop and implement policies and procedures to assure and document that:
 - a. the ESG-CV flexibilities are used only for activities and costs that are to prevent, prepare for, and respond to coronavirus; and

b. the use of annual ESG funds under the ESG-CV flexibilities meets the same conditions that apply to the use of ESG-CV funds under those flexibilities (including the prohibition against conditioning homeless assistance as provided in Section III.F.12 of this Notice), except that –

- (i) The prohibition against conditioning homeless assistance as provided in Section III.F.12 of this notice only applies as a condition for using ESG-CV flexibilities with respect to expenditures made with annual ESG funds after the date that is 30 days from the date of this Notice; and
- (ii) The waivers and alternative requirements with respect to the expenditure and recapture requirements in section III.B.2 of this Notice and the reporting requirements in section III.G of this notice do not apply to annual ESG funds.

5. Before using any annual ESG funds to carry out eligible activities directly as permitted by section III.A.1 of this Notice, a recipient that is a State must amend their annual action plan as discussed in that section and submit the new certifications that HUD is providing in the Appendices to this Notice, as further explained in Section VI.

B. Clarification of Changes from CPD Notice 20-08. The key differences between these conditions and the conditions provided in the corresponding section of CPD Notice 20-08 are as follows:

1. The extension of ESG-CV flexibilities (including statutory exemptions, waivers, and additional eligible activities) to annual ESG funds used to prevent, prepare for, and respond to coronavirus now includes the CARES Act's exemption from consultation and citizen participation to annual ESG funds, provided that the recipient publishes its planned use of annual ESG funds under these flexibilities, at a minimum, on the Internet at the appropriate government web site or through other electronic media (as provided above for ESG-CV funds);

2. Although the CARES Act prohibition described in Section III.F.12 of this Notice did not apply to the use of annual ESG funds prior to this notice, HUD is adding that prohibition to the conditions for applying ESG-CV flexibilities to expenditures of annual ESG funds after the date that is 30 days from the date of this Notice;

3. The conditions for extending the waivers and alternative requirements to annual ESG funds no longer exclude alternative requirements that are more limiting than 24 CFR part 576, because HUD has removed the alternative requirements in CPD Notice 20-08 that were more limiting on medium-term rental assistance and emergency shelter costs;

4. The conditions have been revised to clarify that annual ESG grants are not subject to the enhanced CARES Act reporting requirements and the expenditure timeframes provided for the ESG-CV grants.

V. PROCESS FOR REQUESTING ADDITIONAL FLEXIBILITY

The CARES Act provides the Secretary the authority to waive, or specify alternative requirements, for any provision of any statute or regulation that the Secretary administers in connection with ESG-CV funds (except for requirements related to fair housing,

nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement is necessary to prevent, prepare for, and respond to coronavirus. The CARES Act also permits the Secretary to apply these waivers and alternative requirements to annual ESG funds (including FY 2020 and prior fiscal year ESG grant funds) to the extent recipients use those funds to prevent, prepare for, and respond to coronavirus.

If a recipient or subrecipient needs more flexibility than is provided in this Notice, the recipient may request a waiver by submitting a request addressed to the Secretary of HUD. The request must include the following: a description of the project; the citation to the statutory and regulatory requirements that the recipient is requesting to waive; an explanation of the reasons why the Secretary should determine that good cause exists for the waiver and how the waiver is necessary to prevent, prepare for, and respond to coronavirus.

HUD may find that additional information is needed to make a determination regarding a submitted waiver request. In these cases, HUD may contact the recipient at any time to request additional information to support a previous request.

VI. CERTIFICATIONS

For purposes of all ESG funds, recipients must submit certifications as required by the McKinney-Vento Act. However, the program flexibilities provided under the CARES Act and this Notice make the following exceptions and clarifications necessary.

A. As provided by the CARES Act HUD cannot require ESG-CV funds to be matched and under this Notice, HUD is extending this match exemption to annual ESG grant funds used to prevent, prepare for, and respond to coronavirus. Accordingly, any match certification submitted is not valid with respect to those funds.

B. As provided by the CARES Act, period of use certifications required by Section 416(c)(1) of the McKinney Vento Act do not apply to temporary emergency shelters funded in accordance with that Act. Accordingly, any period of use certification is not valid with respect to the use of those funds for temporary emergency shelters.

C. HUD provided Interim ESG-CV Certifications that reflect program flexibilities under the CARES Act. If a recipient submitted interim certifications for the first or second allocation of ESG-CV funding, then it does not need to resubmit certifications in Appendix I for that allocation unless the recipient is a State that is exercising the flexibility to carry out activities directly as provided in Section III.A.I. States electing to exercise the flexibility to carry out activities directly must submit the new ESG-CV certifications in Appendix I.

D. Except as otherwise provided in paragraph 3 above, the ESG-CV certifications in Appendix I must be submitted by all States and non-States applying to receive Emergency Solutions Grants Program funding under the CARES Act for each allocation of ESG-CV funding. These certifications are the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act's exemption of temporary

emergency shelters is expressly stated in the “Major rehabilitation/conversion/renovation” and “Essential Services and Operating Costs.”

E. Annual ESG funds

1. States. The ESG certifications in Appendix II are required to be submitted for each annual ESG grant under which the State will exercise HUD’s waiver allowing the State to carry out ESG activities directly in order to prevent, prepare for, or respond to coronavirus and are allowed but required to be submitted for each annual ESG grant under which the State will otherwise use its available funds to prevent, prepare for, or respond to coronavirus in accordance with the flexibilities and requirements established for ESG-CV funds. These certifications reflect the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act’s exemption of temporary emergency shelters is expressly stated in the “Major Rehabilitation/Conversion/Renovation” and “Essential Services and Operating Costs sections” For purposes of annual ESG funds that are not used to prevent, prepare for, or respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds, however, these certifications cannot be used in place of the standard ESG certifications the recipient must submit for its annual ESG grants.

2. Non-States. The ESG certifications in Appendix III are allowed, but not required to be submitted for each annual ESG grant under which an ESG recipient, other than a State, intends to use its available funds to prevent, prepare for, and respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds. These certifications are the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act’s exemption of temporary emergency shelters is expressly stated in the “Major Rehabilitation/Conversion/Renovation” and “Essential Services and Operating Costs” sections. For purposes of annual ESG funds that are not used to prevent, prepare for, and respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds, these certifications cannot be used in place of the standard ESG certifications the recipient must submit for its annual ESG grants.

VII. POLICY PRIORITIES

This section, which includes policy priorities and reminders of existing program requirements, provides additional context regarding the waivers and alternative requirements granted above:

A. Policy Priorities.

1. Selecting Subrecipients. ESG-CV funding will substantially increase many jurisdictions’ ESG allocation. While necessary to shelter and house individuals and families experiencing and at risk of homelessness, this influx of funding may stress the capacity of existing ESG subrecipients. Therefore, recipients should consider funding organizations that have not traditionally received ESG funding. This may involve using already established criteria for selecting subrecipients. However, if a recipient changes its criteria for selecting subrecipients, it should consider criteria related to:

a. The organization’s demonstrable history and familiarity with operating the type of activity for which it will receive funding (e.g., street outreach, emergency shelter);

- b. The organization's experience serving the population experiencing homelessness and at severest risk of complications from coronavirus (e.g., individuals experiencing homelessness over age 50, having particular health issues, minority and indigenous populations).
- c. Previous performance of the organization in providing housing, shelter, or services to individuals and families experiencing or at risk of homelessness (e.g., the length of time individuals and families remain homeless before they are housed, overall reduction in the number of homeless individuals and families, success at reducing the number of individuals and families who become homeless, etc.).

Recipients are encouraged to subgrant funds to community-based non-profit organizations, including faith-based organizations. HUD will publish technical assistance materials to assist recipients in expanding their subrecipients.

2. **Prioritize Households Based on Need.** HUD encourages recipients to prioritize households that are most in need of this assistance, and encourages recipients to use this opportunity to develop strategies within the community's public health response that respond to the immediate crisis needs of individuals and families experiencing homelessness and at risk of homelessness as well as to develop a plan to respond to the economic effects of coronavirus for individuals and families experiencing homelessness and at risk of homelessness.

3. **Use ESG-CV Funds to Prevent the Spread of Coronavirus.** To ensure ESG-CV funds are used effectively and efficiently to prevent, prepare for, and respond to coronavirus, recipients should carefully evaluate the appropriateness and cost effectiveness of interventions needed to immediately respond to the public health emergency (e.g., establishing temporary emergency shelters or using funds for hotel and motel vouchers).

4. **Use ESG-CV Funds to Quickly Provide Needed Connections to Housing.** People experiencing homelessness are at risk for infection during community spread of coronavirus and lack of housing contributes to poor physical and mental health outcomes. HUD encourages recipients to quickly obligate and expend their ESG-CV funds to ensure housing and services are available to people experiencing homelessness and at risk of homelessness.

VIII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD's Funding Opportunities web page at: <https://www.hud.gov/coronavirus/grantees>.

James A. Jemison II
Principal Deputy Assistant Secretary
for Community Planning and Development



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

Special Attention of:
All CPD Directors
HUD Field Offices
HUD Regional Offices
All Continuums of Care
All ESG Program Recipients and Subrecipients

Notice: CPD-20-08
Issued: September 1, 2020
Expires: This notice is effective until
amended, superseded, or rescinded.

TITLE: Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act

EFFECTIVE DATE: September 1, 2020

SUMMARY: This Notice announces the allocation formula, amounts, and requirements for the additional \$3.96 billion in funding provided for the Emergency Solutions Grants Program (ESG) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These ESG-CV funds must be used to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. Requirements at 24 CFR Part 576 will apply to the use of these funds, unless otherwise provided by the alternative requirements and flexibilities established under the CARES Act, this Notice, or subsequent waivers, amendments or replacements to this Notice. The alternative requirements established by this Notice that limit activities in comparison with the requirements in 24 CFR 576 and the CARES Act are not retroactive. Accordingly, any ESG or ESG-CV activities included in an action plan or substantial amendment for which HUD completed its review must comply with the requirements in effect at the time of the recipient's consolidated plan submission, except where this Notice provides new flexibility as authorized by the CARES Act.

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Office of Community Planning and Development.

B. Authority: Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136 (2020).

C. Publication: This Notice is initially being published on HUD's website.

D. Catalog of Federal Domestic Assistance (CFDA) Number: 14.231 Emergency Solutions Grant Program (ESG).

E. Obligations: HUD executed initial grant agreements for the first allocation of \$1,000,000,000 of the available CARES Act ESG-CV funding. HUD will amend these grant agreements for some

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recipients to add further amounts based on the formula described in Section F.1 of this Notice to distribute up to \$2,960,000,000 of the remaining funds. Recipients must follow the obligation deadlines established in Section III.B of this Notice.

F. Additional Overview Content Information:

1. **Funding Allocations.** HUD allocated \$1,000,000,000 of the funds to recipients of FY 2020 ESG funds based on the same formula HUD used under 24 CFR 576.3 to allocate the FY2020 funds. The remaining \$2,960,000,000 in funds were allocated directly to States and units of general local government according to a formula developed by the Secretary, as required by the CARES Act: https://www.hud.gov/sites/dfiles/CPD/documents/ESG_CARES_Act_Round_2_Allocation_Methodology_rev.pdf. List of recipients is provided at: https://www.hud.gov/program_offices/comm_planning/budget/fy20/.

2. **Modified Requirements for the Consolidated Plan (Con Plan).** The requirements at 24 CFR 576.200, as modified by this Notice and waivers for ESG-CV funds HUD established previously or under this Notice, shall apply to the application and review process for ESG-CV funds.

a. In order to receive the ESG-CV funds described in this Notice, each eligible recipient must (i) Prepare and submit a substantial amendment to its Action Plan that was most recently approved as provided under 24 CFR part 91 to include ESG-CV amounts or include the ESG-CV amounts in their FY 2020 Annual Action Plan submission; and (ii) Submit the signed certifications required by 24 CFR 91.225(a) and 91.325(a) and the relevant program-specific certifications as discussed in Section VI of this Notice.

b. The ESG-CV funds described in this Notice are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants program, including the requirements under 24 CFR 91.100, 91.105, 91.110, and 91.115. However, as required by the CARES Act, each recipient must publish how it has used and will use its allocation, at a minimum, on the Internet at the appropriate government website or through other electronic media. In this publication, each recipient must describe the activities they will fund with ESG-CV funds and indicate whether, as of the date the notice is published, the activity has already occurred and the recipient is reimbursing itself or the activity has yet to occur. In its notification and communication methods, recipients and subrecipients must also ensure effective communication with individuals with disabilities and take reasonable steps to ensure meaningful access to persons with limited English proficiency (LEP). See also 24 CFR 576.407(a) and (b).

c. Each substantial amendment submitted to HUD will be subject to the review process set forth in 24 CFR 91.500, except that HUD will expedite its review with respect to CARES Act funding.

G. For Further Information: Written questions may be sent to: Norm Suchar, Director, Office of Special Needs Assistance Programs, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7266, Washington, DC, 20410 or ESG-CV@hud.gov. Persons with hearing or speech impairments may access the above telephone number via TTY by calling the Federal Information Relay Service at 800-877-8339 (this is a toll-free number).

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Program Description

The CARES Act made \$4,000,000,000 available for the Emergency Solutions Grants Program to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

To accomplish the above, this additional funding for ESG recipients can be used to provide emergency shelter, temporary emergency shelter, or rapid re-housing, as well as other crisis response activities. Additionally, funds may be used for homelessness prevention assistance.

B. Definitions.

1. Definitions from 24 CFR 576.2. For purposes of ESG-CV funds, the definitions at 24 CFR 576.2 apply, except that:

a. At Risk of Homelessness. The CARES Act raised the income limit in paragraph (1)(i) of the "at risk of homelessness" definition at 24 CFR 576.2 from 30 percent of area median income to the Very Low-Income limit of the area, as determined by the Secretary. The entire definition of "at risk of homelessness," incorporating the higher income limit for ESG-CV activities, is included below for reference.

At Risk of Homelessness means

(i) an individual or family who:

(a) Has an annual income that does not exceed the Very Low-Income Limit of the area, as established for HUD's Section 8 and Public Housing programs at www.huduser.gov/portal/datasets/il.html;

(b) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in 24 CFR 576.2; and

(c) Meets one of the following conditions:

(I) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(II) Is living in the home of another because of economic hardship;

(III) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(IV) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(V) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(VI) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(VII) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved consolidated plan.

(ii) A child or youth who does not qualify as “homeless” under 24 CFR 576.2, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(iii) A child or youth who does not qualify as “homeless” under 24 CFR 576.2, but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

b. Local government and unit of general purpose local government mean a “unit of general purpose local government,” as defined in 24 CFR 576.2 (i.e., any city, county, town, township, parish, village, or other general purpose political subdivision of a State) and, as established by section 100261(1) of the Moving Ahead for Progress in the 21st Century Act (MAP-21 Act), Public Law 112–141, includes:

(i) an instrumentality of a unit of general purpose local government, provided that the instrumentality is not a public housing agency, is established pursuant to legislation, and is designated by the chief executive of the general purpose local government to act on that government’s behalf with regard to activities funded under title IV of the McKinney-Vento Homeless Assistance Act; and

(ii) a combination of general purpose local governments, such as an association of governments that is recognized by HUD.

c. State means a “State” as defined in 24 CFR 576.2 (i.e., each of the several States and the Commonwealth of Puerto Rico); and, as provided by section 100261(2) of the MAP-21 Act, includes any instrumentality of any of the several States designated by the Governor to act on behalf of the State and does not include the District of Columbia;

2. Definitions not in 24 CFR 576.2.

a. The McKinney-Vento Act means the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.).

b. Coronavirus means SARS-CoV-2 or another coronavirus with pandemic potential, as defined by section 23005 of the CARES Act.

c. ESG means, unless otherwise specified, the Emergency Solutions Grants Program whether funded through annual fiscal year (FY) appropriations or CARES Act funding. For example, a program participant assisted using only FY2020 ESG funding and a program participant assisted using only ESG-CV funding are both ESG program participants.

d. ESG-CV means the Emergency Solutions Grants Program as funded by the CARES Act and governed by requirements HUD establishes in accordance with that Act. ESG-CV funds do not include annual ESG funds (e.g., FY 2020 ESG grant funds), although annual ESG funds may be used in accordance with the requirements established for purposes of ESG-CV funds as further described in Section IV of this Notice.

e. Temporary Emergency Shelter means any structure or portion of a structure, which is used for a limited period of time because of a crisis, such as a natural disaster or public health emergency, to provide shelter for individuals and families displaced from their normal place of residence or sheltered or unsheltered locations. Examples of temporary emergency shelters include:

(i) an overnight, daytime, or 24-hour shelter in which program participants are only provided a safe place to sleep, rest, bathe, and eat;

(ii) a shelter where one or more services are made available on-site, whether by shelter staff or contractors or through a memorandum of understanding with another subrecipient or service provider; and

(iii) a shelter designed to facilitate the movement of homeless individuals and families into permanent housing within a fixed period of time (e.g., within 12 months) and employs or contracts with one or more case managers or service providers to provide services as specified under sections III.E.3.a.(i)(e) and III.E.3.a.(ii)(e) through (h).

f. Prevent, Prepare for, and Respond to Coronavirus. To assist recipients in ensuring that an activity being paid for with ESG-CV funds is eligible, or determining whether annual ESG funding may follow the waivers and alternative requirements established in this Notice, recipients and subrecipients should consider the following:

(i) Prevent...coronavirus means an activity designed to prevent the initial or further spread of the virus to people experiencing homelessness, people at risk of homelessness, recipient or subrecipient staff, or other shelter or housing residents. This includes providing Personal Protective Equipment to staff and program participants, paying for non-congregate shelter options such as hotels and motels, paying for handwashing stations and portable toilets for use by people living in unsheltered situations, and providing rapid re-housing or homelessness prevention assistance to individuals and families who are homeless or at risk of homelessness (as applicable) to reduce their risk of

contracting or further spreading the virus.

(ii) Prepare for...coronavirus means an activity carried out by a recipient or subrecipient prior to or during a coronavirus outbreak in their jurisdiction to plan to keep people healthy and reduce the risk of exposure to coronavirus and avoid or slow the spread of disease. This includes updating written standards to prioritize people at severe risk of contracting coronavirus for shelter and housing consistent with fair housing and nondiscrimination requirements, adapting coordinated entry policies and procedures to account for social distancing measures or increased demand, developing a strategy and recruiting landlords to provide housing to people experiencing homelessness or at risk of homelessness, training homeless providers on infectious disease prevention and mitigation, and implementing a non-congregate shelter strategy to reduce the spread of coronavirus.

(iii) Respond to coronavirus means an activity carried out once coronavirus has spread to people experiencing homelessness, provider staff, or once individuals and families lose or are at risk of losing their housing as a result of the economic downturn caused by coronavirus. This includes transporting individuals and families experiencing homelessness to medical appointments, paying for shelter to isolate individuals who have contracted coronavirus from other program participants and people experiencing homelessness, providing rental assistance to those who are at risk of losing their housing, have already become homeless, or continue to experience homelessness due to the economic downturn caused by coronavirus, and providing hazard pay to recipient or subrecipient staff who put their own health at risk to continue to provide necessary services to individuals and families experiencing and risk of homelessness.

II. ALLOCATIONS

A. Initial Allocations. The ESG-CV grant funds are available through two allocations as follows:

1. First Allocation. \$1 billion has been allocated to recipients allocated FY 2020 ESG funding based on the same formula used under 24 CFR 576.3 for the FY 2020 ESG funding; and
2. Second Allocation. \$2.96 billion has been allocated to States and units of general local government based on a formula developed by the Secretary, as provided by the CARES Act.

B. Reallocation.

1. Funds Not Awarded by HUD due to Failure of the Recipient to Submit and Obtain HUD Approval of a Substantial Amendment to its Action Plan or FY 2020 Annual Action Plan. ESG-CV funds are provided to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. In order to quickly deploy these resources it is important that they are awarded to recipients with experience administering annual ESG funding. Therefore, HUD reserves discretion to issue a separate notice providing waivers and alternative requirements to replace the process for reallocating ESG-CV funds from states and territories under at 24 CFR 576.300, 567.302, and 576.303, which address how HUD will reallocate funds not awarded due to the states' and territories' failure to submit a Substantial Amendment to their Action Plan including the ESG-CV funds or the states' and territories' failure to submit their FY 2020

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Annual Action Plan including ESG-CV funds in accordance with the requirements of 24 CFR part 91.

Funds recaptured from metropolitan cities and urban counties due to failure to submit a Substantial Amendment to its Action Plan including the ESG-CV funds or the recipient's failure to submit its FY 2020 Annual Action Plan including ESG-CV funds in accordance with the requirements of 24 CFR part 91 will continue to be reallocated in accordance with 24 CFR 576.301.

2. Funds Recaptured by HUD after Award. ESG-CV funds are provided to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. It is important that resources be targeted to communities that need and can use additional funding to support these efforts. Therefore, HUD is establishing expenditure deadlines and recapture provisions (as discussed in section III.B.3 below), and HUD reserves discretion to issue a separate notice providing waivers and alternative requirements to replace the process for reallocating recaptured ESG-CV funds under section 24 CFR 576.300(2).

III. APPLICABLE RULES, STATUTES, WAIVERS, AND ALTERNATIVE REQUIREMENTS

This Section describes the statutes, regulations, waivers, and alternative requirements that apply to ESG-CV grants.

The CARES Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these amounts, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. The Notice describes when temporary emergency shelter is exempt from environmental review and outlines standards for temporary emergency shelter. Regulatory waiver authority is also provided by 24 CFR 5.110 and 91.600. For the reasons stated with each waiver or alternative requirement established in this Notice, HUD has determined that good cause exists for each waiver or alternative requirement and that the waiver or alternative is necessary to prevent, prepare for, and respond to coronavirus.

Except as otherwise stated in this Notice, waivers and alternative requirements shall be deemed to be effective as of the date a State or unit of local government began preparing for coronavirus, which HUD shall presume to be January 21, 2020 – the date the first confirmed case was reported in the United States. However, each recipient must maintain adequate documentation to assure these waivers and alternative requirements are used only with respect to ESG- or ESG-CV-eligible activities the recipient or its subrecipients implemented to prevent, prepare for, and respond to coronavirus, including documentation demonstrating when their particular state or local government began preparing for coronavirus, such as notes on formal planning meetings or calls. Certain alternative requirements established by this Notice that limit activities in comparison with the requirements in 24 CFR 576 and the CARES Act are not retroactive.

A. Means of Carrying Out Grant Activities. In general, the requirements at 24 CFR 576.202 apply, except that:

1. States may use up to 100 percent of grant funds awarded to carry out activities directly. The requirements at Section 412 of the McKinney-Vento Act and 24 CFR 576.202(a), which provide that States must subgrant all of their funds except those used to carry out HMIS activities and administrative activities to units of general purpose are waived to ensure that enough entities with capacity are available to administer ESG-CV funds and to provide additional administrative efficiency to States. States may use up to 100 percent of grant funds awarded to carry out activities directly. However, before a State can use this flexibility to carry out ESG activities directly, the State's consolidated plan/action plan must specify the activities the State will carry out and the amount allocated for those activities, whether in the State's initial FY 2020 action plan submission or an amendment to its most recently approved action plan, and the State must submit the new certifications that HUD is providing in the Appendices to this Notice, as further explained in section VI, to account for this new program flexibility.

2. States and local governments may subaward funds to public housing agencies and local redevelopment authorities. As authorized by Section 414(c) of the McKinney-Vento Act, a local government may subaward funds it receives to a public housing agency, as defined under section 3(b)(6) of the United States Housing Act of 1937, or to a local redevelopment authority, as defined under state law. Where the recipient is a State, the requirement at Section 412 of the McKinney-Vento Act, further defined at 24 CFR 576.202(a), is waived, to allow states to subaward funds it receives to a public housing agency, as defined under section 3(b)(6) of the United States Housing Act of 1937, or to a local redevelopment authority, as defined under state law to ensure that there are enough entities with capacity available to administer ESG-CV funds. ESG recipients who subaward funds are responsible for ensuring grants are carried out in accordance to this notice.

B. Obligation, Expenditure, and Payment Requirements and Recapture Process.

1. Obligation Deadlines. To assure that all funding and flexibilities provided by the CARES Act and HUD under this Notice can be used as necessary to prevent, prepare for, and respond to coronavirus, HUD is waiving the regulatory obligation deadlines and standards for meeting those deadlines and establishing alternative requirements as follows. ESG-CV funds must be obligated by the recipient in accordance with 24 CFR 576.203(a)(1) and (2), except as provided below. The applicable period for obligating ESG-CV funds begins on the date HUD signed the recipient's grant agreement for the first allocation of ESG-CV funds. The obligation deadlines below apply to the both the first and second allocation of ESG-CV funds. HUD is also providing further flexibility for recipients (including states and non-states) to provide additional time to identify entities that have capacity and expertise to mitigate the impacts of coronavirus, including those who have not previously or recently received ESG funding.

a. Recipients that are states have:

(i) 180 days from the date HUD signs the grant agreement to obligate funds for activities it will carry out directly, as permitted in Section III.A.1. This obligation may be evidenced by a written designation of a department within the government to carry out an eligible activity directly; and
(ii) up to 240 days from the date HUD signs the grant agreement to obligate ESG-CV funds to subrecipients. Recipients must maintain in the program records a description of any changes the

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recipient implemented to identify and select new subrecipients.

b. Recipients that are metropolitan cities, urban counties, or territories may have up to 240 days from the date HUD signs the grant agreement to obligate ESG-CV funds. Recipients must maintain in their program records a description of any changes the recipient implemented to identify and select new subrecipients.

2. Expenditures. The requirements at 24 CFR 576.203(b) generally apply, except that the provision that all of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient is waived and the following alternative requirements are established:

a. Before drawing down funds for an activity, the recipient must enter complete, up-to-date information on that activity in the Integrated Disbursement and Information System (IDIS), including the total funding allocated to that activity and a description of how the activity prevents, prepares for, and responds to coronavirus. This requirement is necessary to assure the use of funds for eligible activities to prevent, prepare for, and respond to coronavirus and facilitate compliance with the CARES Act's reporting requirement, which is described in section III.G.2 of this Notice.

b. Overall Deadline for Expending First and Second Allocations. All funds awarded to a recipient through the first and second allocations of ESG-CV funds must be expended for eligible activity costs by September 30, 2022. Establishing this standardized expenditure deadline for all recipients discourages recipients from delaying their expenditure deadline by delaying the execution of their grant agreements, thus making funds more quickly available to prevent, prepare for, and respond to coronavirus.

c. Progressive Expenditure Deadlines and Recapture Provisions. To ensure ESG-CV funds are spent quickly on eligible activities to address the public health and economic crises caused by coronavirus, the following alternative requirements are established:

(i) HUD may recapture up to 20 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 20 percent of that award by September 30, 2021.

(ii) HUD may recapture up to 80 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 80 percent of that award by March 31, 2022.

(iii) Prior to recapturing funds as described above, HUD will follow the enforcement process described in 24 CFR 576.501 and provide the recipient with an opportunity to provide a spending plan demonstrating to HUD's satisfaction that all of the recipient's ESG-CV funds from the first and second allocations will be expended by September 30, 2022.

d. Reallocation process. HUD reserves its discretion to make subsequent waivers and alternative requirements to assure recaptured funds are reallocated in a manner consistent with the statutory purposes and conditions for ESG-CV funds.

C. Match. As provided by the CARES Act, ESG-CV funds are not subject to the match

requirements that otherwise apply to the Emergency Solutions Grants program.

D. Program Income. Because ESG-CV program income cannot be used as match without the ESG matching requirement, HUD is waiving the ESG provisions for program income under 24 CFR 576.2 and 576.407(c)(1) and establishing alternative requirements, as follows:

1. Program income is defined as provided by 2 CFR 200.80, except that:

a. Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient, as provided by 24 CFR 576.2; and

b. Costs that are incidental to generating program income and not charged to the ESG-CV grant or subgrant may be deducted from gross income to determine program income, as allowed under 2 CFR 200.307(b).

2. As allowed under 2 CFR 200.307(e), program income may be treated as an addition to recipient's grant (or the subrecipient's subgrant, if the income is generated by the subrecipient's activities), provided that the program income is used in accordance with the purposes and conditions of that grant or subgrant. Program income otherwise must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1).

These changes to the otherwise applicable program income requirements are necessary to maximize the capacity and efficiency of ESG-CV recipients and subrecipients to prevent, prepare for, and respond to coronavirus.

E. Program Components and Eligible Activities. The requirements of 24 CFR Part 576 – Subpart B apply, except that:

1. Emergency Shelter and Street Outreach cap. As provided by the CARES Act, the cap established for street outreach and emergency shelter activities in section 576.100(b) does not apply. Recipients may expend as much of their funding on street outreach and emergency shelter activities as needed to prevent, prepare for, and respond to coronavirus among people experiencing homelessness including mitigating the impacts caused by coronavirus. HUD strongly encourages recipients to coordinate housing and services for those individuals with the Continuum of Care in their geographical region.

2. Pre-Award Costs. To account for the urgent activities and costs ESG recipients and subrecipients have undertaken to prevent, prepare for, and respond to coronavirus, the recipient is authorized to use ESG-CV funds to cover or reimburse costs incurred before the period of performance provided that the cost to be covered or reimbursed would be otherwise allowable under the flexibilities and requirements established for ESG-CV funds and was incurred by a recipient or subrecipient on or after January 21, 2020 to prevent, prepare for, and respond to coronavirus. In addition, where this Notice limits activities in comparison with 24 CFR Part 576 (e.g., the maximum rental assistance per program participant in Section III.E.5.b.(i)@ of this Notice), a recipient may cover or reimburse costs incurred before the period of performance, provided that the cost to be covered or reimbursed

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would be otherwise allowable under 24 CFR Part 576 and either:

(a) The costs were incurred prior to the publication of this Notice; or

(b) For costs not incurred prior to the publication of this Notice, the recipient has included the activities in its substantial amendment or action plan for ESG-CV funds, which has been submitted to HUD and not disapproved prior to the publication of this Notice.

An environmental review, as applicable, must be completed and a Request for Release of Funds must be approved in accordance with 24 CFR Part 58 and Section III.E.6 of this Notice, prior to a commitment to cover or reimburse with ESG funds.

3. Additional Eligible Activities. In addition to the eligible activities listed in 24 CFR 576 – Subpart B, funds may be used for the following activities:

a. Temporary emergency shelters. As permitted by the CARES Act, ESG-CV funds may be used to pay for temporary emergency shelters for individuals and families experiencing homelessness in order to prevent, prepare for, and respond to coronavirus.

(i) Eligible costs include:

(a) Leasing existing real property or temporary structures to be used as temporary emergency shelters;

(b) Acquisition of real property (e.g. hotels, ancillary structures, parking lots). The total amount of ESG-CV funds used for acquisition must not exceed \$2.5 million per real property;

(c) Renovation (including major rehabilitation and conversion) of real property (e.g., hotels) into temporary emergency shelters. Eligible costs include labor, tools, and other costs for renovation;

(d) Shelter operations costs including the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the temporary emergency shelter;

(e) Services, including essential services under 24 CFR 576.102(a)(1), housing search and placement services under 24 CFR 576.105(b)(1), and housing search and counseling services as provided under 24 CFR 578.53(e)(8); except as otherwise stated in this Notice or 24 CFR part 576.408; and,

(f) Other shelter costs HUD pre-approves in writing.

(ii) Requirements:

(a) As permitted by the CARES Act, the use of funds for these shelters will not be subject to the habitability standards under section 417(c) of the McKinney-Vento Act, shelter standards at 24 CFR 576.403(b), or the environmental review requirements that otherwise apply to the use of ESG funds if the shelters have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. Recipients and subrecipients must still comply with nondiscrimination and applicable accessibility requirements, including requirements under Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, the Fair Housing Act, and their implementing regulations. See also 24 CFR 576.407(a);

(b) These temporary emergency shelters shall not be subject to the minimum periods of use required by section 416(c)(1) of the McKinney-Vento Act and 24 CFR 576.102(c) and shall be considered as excluded by law from any certifications recipients submit pursuant to 24 CFR 91.225(c)(1) through (c)(4) or 91.325(c)(4)(i) through (c)(4)(iv); however, if funds were used for acquisition or

renovation (including conversion or major rehabilitation), the property's use and disposition will be subject to the real property requirements in 24 CFR 200.311;

(c) In general, funds may be used to support temporary emergency shelters to prevent, prepare for, and respond to coronavirus until January 31, 2022. This January 31, 2022 limit will ensure that ESG-CV funds are available to serve more individuals and families with assistance to prevent, prepare for, and respond to coronavirus. However, upon written request by the recipient, HUD may grant an exception to the January 31, 2022 limit, if the recipient demonstrates:

(i) Why additional funding for a longer period of time is necessary and what planned activities the recipient will forgo to continue funding the temporary emergency shelter;

(ii) The number of additional months the recipient will fund the temporary emergency shelter; and

(iii) The plan for connecting program participants to permanent housing when the temporary emergency shelter is no longer funded;

(d) In addition to the records required at 24 CFR 576.500, the recipient must retain documentation that the property or structure or portion of a structure used as temporary emergency shelter met the definition of temporary emergency shelter during the time it was so used. For example, a recipient could document that the property is typically a hotel and is only being used as an emergency shelter for the period of time that public health officials determine special measures are needed to prevent the spread of coronavirus;

(e) Whether or not services are provided as part of temporary emergency shelter, the recipient or subrecipient must assure that for each program participant receiving shelter, the individual or family's service needs are evaluated as required by 24 CFR 576.401(a) and appropriate services are made available as needed in accordance with 24 CFR 576.401(d), and a program participant in temporary emergency shelter shall be eligible to receive essential services from the recipient or subrecipients other than the program participant's shelter provider;

(f) A temporary emergency shelter may provide space for program participants to receive services consistent with 24 CFR 576.401(d) even if the services are not ESG-funded or not funded as part of the shelter project;

(g) Program participants cannot be required to sign leases or occupancy agreements, receive treatment, or perform any other prerequisite activities as a condition for staying in any shelter or receiving services; and

(h) In all other respects, the funding and operation of temporary emergency shelters must comply with the ESG-CV requirements for emergency shelters under this Notice and 24 CFR part 576.

c. Training. As permitted by the CARES Act, ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness and the use of funding shall not be considered administrative costs for purposes of the 10 percent cap. In addition, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for training on infectious disease prevention and mitigation for homeless assistance providers, including those who do not receive funding through the CARES Act, to help them best prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. These training costs are eligible as a standalone activity and are not to be charged to an activity under 24 CFR 576.101 to 24 CFR 576.109.

d. Hazard Pay. As permitted by the CARES Act, funds may be used to pay hazard pay for recipient- or subrecipient-staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of recipient or subrecipient staff working directly in support of coronavirus response include emergency shelter intake staff, street outreach teams, emergency shelter maintenance staff, emergency shelter security staff, staff providing essential services (e.g., outpatient health or mental health, housing navigators), and staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus.

e. Handwashing Stations and Portable Bathrooms. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a) for installing and maintaining handwashing stations and bathrooms (e.g., porta potties) in outdoor locations for people experiencing unsheltered homelessness. Allowing ESG-CV funds to pay for the costs of handwashing stations and bathroom facilities will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to bathrooms and the ability to wash their hands.

f. Landlord Incentives. The limitations on eligible activities under section 415(a) of the McKinney-Vento Act and 24 CFR 576.105 are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.105 to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. However, a recipient may not use ESG-CV funds to pay the landlord incentives set forth below in an amount that exceeds three times the rent charged for the unit. Waiving the limitation on eligible costs under housing relocation and stabilization services to pay for the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis. The limitation to three times the rent charged for each unit ensures enough ESG-CV funds remain available to provide other eligible activities necessary to prevent the spread of coronavirus. Eligible landlord incentive costs include:

- (i) Signing bonuses equal to up to 2 months of rent;
- (ii) Security deposits equal to up to 3 months of rent;
- (iii) Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
- (iv) Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

g. Volunteer Incentives. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for cost of providing reasonable incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak. Waiving this requirement to allow the payment of reasonable costs of volunteer incentives will increase the number of people available to provide the needed services and connections to housing to individuals

and families experiencing homelessness to prevent the spread of coronavirus.

5. Waivers, Alternative Requirements and Statutory Flexibilities for Existing Eligible Activities.

a. Emergency Shelters. The requirements at 24 CFR 576.102 apply, except funds may be used only for the costs of providing emergency shelter during the period beginning on the date the recipient or subrecipient began preventing, preparing for, and responding to coronavirus and ending on January 31, 2022, and only for those costs that are necessary to prevent, prepare for, and respond to coronavirus. This alternative requirement will ensure that ESG-CV funds are used efficiently to provide more individuals and families with assistance needed to prevent, prepare for, and respond to coronavirus.

b. Short-Term and Medium-Term Rental Assistance.

(i) 24 CFR 576.106(a)(2), where medium-rent is defined as “for more than 3 months but not more than 24 months of rent” is waived and an alternative requirement is established where medium-term is established as for more than 3 months but not more than 12 months. This alternative requirement will allow more households to receive rapid re-housing and homelessness prevention assistance, which is necessary to prevent, prepare for, and respond to coronavirus.

(ii) The requirement at 24 CFR 576.106(d) that prohibits rental assistance where the rent for the unit exceeds the Fair Market Rent established by HUD, as provided under 24 CFR Part 888, is waived so long as the rent complies with HUD’s standards of rent reasonableness, as established under 24 CFR 982.507. Waiving this requirement will allow recipients to help program participants move quickly into housing or retain their existing housing, which is especially critical at reducing the spread of coronavirus and responding to coronavirus. This waiver provides additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients to provide rental assistance for program participants, whose current rent exceeds FMR and by allowing recipients to use this waiver as needed throughout the period they are providing rental assistance to prevent, prepare for, and respond to coronavirus.

c. Administrative Costs. As permitted by the CARES Act, a recipient may use up to 10 percent of its total ESG-CV grant for administrative costs specified in 24 CFR 576.108.

d. No Cap for Emergency Shelter and Street Outreach Activities. As permitted in the CARES Act, ESG-CV funds may be used for emergency shelter and street outreach activities without regard to the spending cap established by section 415(b) of the McKinney-Vento Act and 24 CFR Part 576.100(b). The same flexibility applies to using ESG-CV funds to establish and operate temporary emergency shelters.

e. Hotel/Motel Costs. As permitted under 24 CFR 576.102(a)(3), eligible costs include a hotel or motel voucher for homeless individuals and families where no appropriate emergency shelter is available. Additionally, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for the following hotel or motel costs for individuals and families experiencing homelessness, receiving rapid re-housing assistance under the Continuum of Care (CoC) or ESG programs, receiving homelessness

prevention under the ESG program, or residing in permanent supportive housing: The recipient or subrecipient may pay for a hotel or motel room directly or through a hotel or motel voucher. Additionally, funds can be used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear and tear of the room. These flexibilities are provided to allow recipients to secure hotel and motel rooms more quickly to be available when needed to prevent the spread of coronavirus (for example, when a program participant needs to isolate to keep from spreading the virus to other shelter occupants or household members).

f. Helping current ESG program participants maintain housing. In order to ensure current program participants receiving homelessness prevention and rapid re-housing assistance do not lose their housing during the coronavirus public health crisis and the subsequent economic downturn caused by the crisis, the requirements in 24 CFR 576.105(c) and 576.106(a) are waived and alternative requirements are established as follows:

(i) The requirement at 24 CFR 576.105(c) limiting the total period of time for which any program participant may receive the services under paragraph (b) to 24 months during any 3-year period is waived solely for those program participants who reach their 24-month maximum assistance during the period beginning on the presumed start of this crisis, January 21, 2020 – the date the first confirmed case was reported in the United States, and ending 6 months from the date of publication of this Notice, provided that the services are only extended for these program participants for up to a maximum of an additional 6 months; and

(ii) The requirement at 24 CFR 576.106(a) limiting the total number of months a program participant can receive rental assistance to 24 months in a 3-year period is waived solely for those program participants who reach their 24-month maximum during the period beginning on the presumed start of this crisis, January 21, 2020 – the date the first confirmed case was reported in the United States, and ending 6 months from the date of publication of this Notice, provided that the rental assistance is only extended for these program participants for up to a maximum of an additional 6 months.

g. HMIS Lead Activities. The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR Part 576, subpart B are waived to the extent necessary to authorize ESG funds to be used under 24 CFR 576.107 to pay for HMIS costs beyond where they are related to collecting data on ESG program participants and ESG program activities to the extent they are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. Additionally, 24 CFR 576.107 that limits recipients to paying for the costs at 24 CFR 576.107(b) is waived to allow recipients that are not the HMIS Lead, as designated by the Continuum of Care, to pay for costs at 24 CFR 576.107(b), either directly or by sub-granting to the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that the HMIS costs are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. This waiver and these alternative requirements provide additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients who are not also HMIS Leads to pay for the costs eligible at 24 CFR 576.107(b) and lifting the 6-month limit on the waiver so that this flexibility applies throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus. Additionally, this waiver provides additional flexibility for ESG funds to be used on HMIS costs even when they are not related to ESG program participants or ESG activities when necessary to collect and report

better data about the impact of coronavirus across the community. These flexibilities will allow communities to collect data that is necessary to coordinate and report on activities to prevent, prepare for, and respond to coronavirus among individuals and families experiencing homelessness, at risk of homelessness, and receiving homeless assistance.

h. Legal Services. Legal services established in 24 CFR 576.102(a)(1)(vi) and 24 CFR 576.105(b)(4) are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside.

F. Program Requirements. The requirements at 24 CFR part 576, subpart E apply, except as otherwise established in this Notice.

1. Consultation with the Continuum of Care. As provided under the CARES Act, ESG-CV funds are not subject to the CoC consultation requirements at 24 CFR 576.400(a).

2. Coordination with other targeted homeless services. To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(b) are waived.

3. System and Program Coordination with Mainstream Resources. To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(c) are waived.

4. Centralized or Coordinated Assessment, Written Standards for Administering Assistance, and HMIS. With respect to costs incurred between January 21, 2020 and June 30, 2020 that are allowable under this Notice but not under 24 CFR Part 576, the requirements to use the CoC's centralized or coordinated assessment under 24 CFR 576.400(d), administer the assistance in accordance with written standards as provided under 24 CFR 576.400(e), and participate in HMIS under Section 416(f) of the McKinney-Vento Act and 24 CFR 576.400(f) are waived for the first 60 days of the project's operation. HUD has determined this waiver is necessary to allow jurisdictions to quickly implement activities necessary to prevent the spread of coronavirus and account for the time needed to integrate these activities into centralized or coordinated assessment and HMIS, and revise the written standards for administering assistance to account for the new program flexibilities.

5. Housing Stability Case Management. As required by 24 CFR 576.401(a) and (c), the recipient and its subrecipient must determine the available services and assistance that each ESG-CV program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its subrecipient must assist each ESG-CV program participant, as needed, to obtain those services and assistance. However, HUD is making an across-the-board waiver of the ESG requirement in 24 CFR 576.401(e)(1) that housing stability case managers to meet not less than once per month with each program participant receiving homelessness prevention or rapid re-housing assistance. HUD is waiving this requirement for all program participants receiving this assistance after qualifying as homeless, in order to be consistent with the CARES Act prohibition stated in section III.F.10. Additionally, HUD is waiving the requirement for all program participants receiving assistance after qualifying as at risk of homelessness, in order to prevent the

spread of coronavirus and reduce the barriers to providing the homelessness prevention that is necessary to respond to coronavirus. This waiver provides additional regulatory relief beyond the waiver HUD made available on March 31, 2020 for annual ESG funds and extended on May 22, 2020 for annual ESG funds and ESG-CV funds, by lifting the 3-month limitation established May 22, 2020, and making the waiver of 24 CFR 576.401(e)(1) apply throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus.

6. Shelter and Housing Standards. The lead-based paint remediation requirements of 24 CFR 576.403(a) apply to all shelters for which ESG-CV funds are used and all housing occupied by program participants. The habitability requirements at 24 CFR 576.403(b) do not apply to temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. However, recipients and subrecipients must still comply with nondiscrimination and applicable accessibility requirements, including requirements under Section 504 of the Rehabilitation Act, the Fair Housing Act, the Americans with Disabilities Act, and their implementing regulations. See also 24 CFR 576.407(a). All other shelters and housing for which ESG-CV funds must meet the applicable standards in 24 CFR 576.403(b) and 576.403(c).

7. Environmental Review Requirements. Except as otherwise provided in this notice for temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus, "responsible entities" (as defined in 24 CFR 58.2) must assume all of the responsibilities with respect to environmental review, decision making, and action required under 24 CFR Part 58. Also, as required by 24 CFR 58.4(a), when a State distributes funds to a responsible entity, the State must provide for appropriate procedures by which these responsible entities will evidence their assumption of environmental responsibilities. In accordance with these requirements and section 100261(3) of the MAP-21 Act, 24 CFR 576.407(d) does not apply.

Environmental regulations at 24 CFR 58.22 prohibit ESG recipients and any other participant in the development process from committing HUD or non-HUD funds to a project until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, if applicable. In addition, until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

Emergency Environmental Review Procedures: HUD's environmental review regulations in 24 CFR Part 58 include two provisions that may be relevant to environmental review procedures for activities to prevent, prepare for, or respond to coronavirus. The first is 24 CFR § 58.34(a)(10), which provides an exemption for certain activities undertaken in response to a national or locally declared public health emergency. The second is a streamlined public notice and comment period in the regulation at 24 CFR 58.33, which may apply in some cases for emergency activities undertaken to prevent, prepare for, or respond to coronavirus. The application of these two provisions following a presidentially-declared or locally-declared public health emergency are discussed in the Notice, Guidance on conducting environmental review pursuant to 24 Part 58 for

activities undertaken in response to the public health emergency as a result of COVID-19 (available at: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-07cpdn.pdf>).

8. Procurement. As provided by the CARES Act, the recipient may deviate from the applicable procurement standards (e.g., 24 CFR 576.407(c) and (f) and 2 CFR 200.317-200.326) when procuring goods and services to prevent, prepare for, and respond to coronavirus. If the recipient deviates from its procurement standards then the recipient must establish alternative written procurement standards, and maintain documentation on the alternative procurement standards used to safeguard against fraud, waste, and abuse in the procurement of goods and services to prevent, prepare for, and respond to coronavirus. This alternative requirement is necessary to ensure the funds are used efficiently and effectively to prevent, prepare for, and respond to coronavirus. Notwithstanding this flexibility, the debarment and suspension regulations at 2 CFR part 180 and 2 CFR part 2424 apply as written.

9. Prohibition Against Duplication of Benefits. Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.) prohibits duplication of benefits for programs that provide financial assistance to people or entities suffering losses because of a major disaster or emergency. "Duplication of benefits" occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs. Recipients must establish and maintain adequate procedures to prevent any duplication of benefits with ESG-CV funds. HUD will issue additional guidance to facilitate compliance with this requirement.

10. Provision of Supportive Services. Although HUD strongly encourages the use of supportive services when necessary, as required by the CARES Act, individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, rental assistance, or other services provided with ESG-CV funds.

G. Reporting Requirements. The requirements at 24 CFR 576.500 apply except as otherwise established in this notice

1. Reporting Requirement. Recipients will be required to report on uses of the ESG-CV funds, in their Consolidated Annual Performance and Evaluation Report (CAPER) and through submission of project data to the Sage Homeless Management Information System (HMIS) Repository. HUD is waiving 24 CFR 91.520(a) to allow recipients up to 180 days from their program year end date to submit their CAPER to allow additional time for reporting as recipients respond to coronavirus.

2. Additional CARES Act Reporting. Section 15011 of the CARES Act requires that recipients of \$150,000 or more of CARES Act funding submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding the amount of funds received; the amount of funds obligated or expended for each project or activity; a detailed list of all such projects or activities, including a description of the project or activity; and detailed information on any

subcontracts or subgrants awarded by the recipient. As outlined in the Office of Management and Budget (OMB) memorandum, M-20-21, existing reporting requirements are anticipated to meet the requirements of section 15011, but the content and format for this reporting is still under development and will need to be reviewed against current program practices. The Department will work in coordination with OMB to ensure that this requirement can be fulfilled by recipients of CARES Act funding in a manner that utilizes to the greatest extent possible existing reporting streams, providing the necessary transparency and accountability with minimal additional burden. If additional reporting is necessary, further guidance will be released by the Department in the near future.

IV. PRIOR ESG APPROPRIATIONS

A. Applicability of this Notice to Annual ESG Funds. In accordance with the authority provided by the CARES Act, the same waivers and additional eligible activities established for ESG-CV funds in this Notice apply to annual ESG funds (including FY2020 and prior fiscal year grant funds) a recipient uses to prevent, prepare for, and respond to coronavirus, subject to the following conditions:

1. The recipient identifies the specific activities and funding allocated to prevent, prepare for, or respond to coronavirus in the Integrated Disbursement and Information System (IDIS) activity description before drawing down funds in accordance with the flexibilities provided in this Notice;
2. The recipient reports the amount of annual ESG funding expended to prevent, prepare for, and respond to coronavirus in the CAPER by component type for each annual grant;
3. The recipient amends its consolidated plan in accordance with 24 CFR 576.200(b), 24 CFR 91.550, and the recipient's citizen participation plan, subject to any applicable HUD waivers (the consultation and citizen participation exemptions for ESG-CV funds do not apply to annual ESG funds);
4. Any alternative requirements established in this Notice which limit activities in comparison with the requirements at 24 CFR Part 576 (e.g., the further limitations on rental assistance and costs related to emergency shelter) shall not apply to the use of annual ESG funds that are used to prevent, prepare for, and respond to coronavirus; and
5. The recipient must develop and implement policies and procedures to assure and document that these flexibilities are used only for activities and costs that are to prevent, prepare for, and respond to coronavirus and the annual ESG funds specifically identified in paragraph 1 meet HUD's requirements for ESG-CV funds (except as provided in the preceding paragraph).
6. Before using any annual ESG funds to carry out eligible activities directly as permitted by section III.A.1 of this Notice, a recipient that is a State must amend their annual action plan as discussed in that section and submit the new certifications that HUD is providing in the Appendices to this Notice, as further explained in Section VI.

V. PROCESS FOR REQUESTING ADDITIONAL FLEXIBILITY

The CARES Act provides the Secretary the authority to waive, or specify alternative requirements, for any provision of any statute or regulation that the Secretary administers in connection with ESG-CV funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement is necessary to prevent, prepare for, and respond to coronavirus. The CARES Act also permits the Secretary to apply these waivers and alternative requirements to annual ESG funds (including FY2020 and prior fiscal year ESG grant funds) to the extent recipients use those funds to prevent, prepare for, and respond to coronavirus.

If a recipient or subrecipient needs more flexibility than is provided in this Notice, the recipient may request a waiver by submitting a request addressed to the Secretary of HUD. The request must include the following: a description of the project; the citation to the statutory and regulatory requirements that the recipient is requesting to waive; an explanation of the reasons why the Secretary should determine that good cause exists for the waiver and how the waiver is necessary to prevent, prepare for, and respond to coronavirus.

HUD may find that additional information is needed to make a determination regarding a submitted waiver request. In these cases, HUD may contact the recipient at any time to request additional information to support a previous request.

VI. CERTIFICATIONS

For purposes of all ESG funds, recipients must submit certifications as required by the McKinney-Vento Act. However, the program flexibilities provided under the Cares Act and this Notice make the following exceptions and clarifications necessary.

1. As provided by the CARES Act HUD cannot require ESG-CV funds to be matched and under this Notice, HUD is extending this match exemption to annual ESG grant funds used to prevent, prepare for, and respond to coronavirus. Accordingly, any match certification submitted is not valid with respect to those funds.
2. As provided by the CARES Act, period of use certifications required by Section 416(c)(1) of the McKinney Vento Act do not apply to temporary emergency shelters funded in accordance with that Act. Accordingly, any period of use certification is not valid with respect to the use of those funds for temporary emergency shelters.
3. HUD provided Interim ESG-CV Certifications posted on <https://www.hudexchange.info/resource/2396/consolidated-plan-certifications-state-and-non-state/> that reflect program flexibilities under the CARES Act. If a recipient submitted interim certifications for the first or second allocation of ESG-CV funding, then it does not need to resubmit certifications in Appendix I for that allocation unless the recipient is a State that is exercising the flexibility to carry out activities directly as provided in Section III.A.I. States electing to exercise the flexibility to carry out activities directly must submit the new ESG-CV certifications in Appendix I.

4. Except as otherwise provided in paragraph 3 above, the ESG-CV certifications in Appendix I must be submitted by all States and non-States applying to receive Emergency Solutions Grants Program funding under the CARES Act for each allocation of ESG-CV funding. These certifications are the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act's exemption of temporary emergency shelters is expressly stated in the "Major rehabilitation/conversion/renovation" and "Essential Services and Operating Costs."

5. Annual ESG funds

a. The ESG certifications in Appendix II are required to be submitted for each annual ESG grant under which the State will exercise HUD's waiver allowing the State to carry out ESG activities directly in order to prevent, prepare for, or respond to coronavirus and are allowed but required to be submitted for each annual ESG grant under which the State will otherwise use its available funds to prevent, prepare for, or respond to coronavirus in accordance with the flexibilities and requirements established for ESG-CV funds. These certifications reflect the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act's exemption of temporary emergency shelters is expressly stated in the "Major rehabilitation/conversion/renovation" and "Essential Services and Operating Costs." For purposes of annual ESG funds that are not used to prevent, prepare for, or respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds, however, these certifications cannot be used in place of the standard ESG certifications the recipient must submit for its annual ESG grants.

b. The ESG certifications in Appendix III are allowed, but not required to be submitted for each annual ESG grant under which an ESG recipient, other than a State, intends to use its available funds to prevent, prepare for, and respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds. These certifications are the same standard ESG certifications HUD requires from non-States, except that the match certification is removed and the CARES Act's exemption of temporary emergency shelters is expressly stated in the "Major rehabilitation/conversion/renovation" and "Essential Services and Operating Costs." For purposes of annual ESG funds that are not used to prevent, prepare for, and respond to coronavirus in accordance with flexibilities and requirements established for ESG-CV funds, these certifications cannot be used in place of the standard ESG certifications the recipient must submit for its annual ESG grants. Standard certifications for non-states can be found here: <https://files.hudexchange.info/resources/documents/Emergency-Solutions-Grants-Esg-Program-Certifications-Non-State.pdf>.

VII. POLICY PRIORITIES

This section, which includes policy priorities and reminders of existing program requirements, provides additional context regarding the waivers and alternative requirements granted above:

A. Policy Priorities.

1. **Selecting Subrecipients.** ESG-CV funding will substantially increase many jurisdictions' ESG allocation. While necessary to shelter and house individuals and families experiencing and at risk of homelessness, this influx of funding may stress the capacity of existing ESG subrecipients. Therefore, recipients should consider funding organizations that have not traditionally received ESG funding. This may involve using already established criteria for selecting subrecipients. However, if a recipient changes its criteria for selecting subrecipients, it should consider criteria related to:

- (i) The organization's demonstrable history and familiarity with operating the type of activity for which it will receive funding (e.g., street outreach, emergency shelter);
- (ii) The organization's experience serving the population experiencing homelessness and at severest risk of complications from coronavirus (e.g., individuals experiencing homelessness over age 50, having particular health issues, minority and indigenous populations);
- (iii) Previous performance of the organization in providing housing, shelter, or services to individuals and families experiencing or at risk of homelessness (e.g., the length of time individuals and families remain homeless before they are housed, overall reduction in the number of homeless individuals and families, success at reducing the number of individuals and families who become homeless, etc.).

Recipients are encouraged to subgrant funds to community-based non-profit organizations, including faith-based organizations. HUD will publish technical assistance materials to assist recipients in expanding their subrecipients.

2. **Providing Essential Services to Promote Independent Living, Sobriety, Employment, Self-Sufficiency, and Residential Stability.** Recipients are encouraged to use ESG-CV funds to provide essential services and housing relocation and stabilization services to program participants to promote independent living, sobriety, employment, self-sufficiency, and housing stability. The CARES Act, however, prohibits requiring treatment or other activities as a condition of receiving assistance.

Recipients are especially encouraged to provide services that promote these outcomes when providing emergency shelter or temporary emergency shelter. Recipients are also encouraged to consider their ability to provide these services, and the success of subrecipients on helping individuals on their pathway to achieving outcomes related to independent living, sobriety, employment, self-sufficiency, and housing stability when making funding decisions and seeking waivers for ESG-CV funds.

Finally, recipients are reminded that being able to provide services to support program participants on their pathway to independent living, sobriety, employment, self-sufficiency, and housing stability can be a powerful marketing tool to encourage landlords to rent their unit to an individual or family experiencing or at risk of homelessness.

3. **Prioritize Households Based on Need.** HUD encourages recipients to prioritize households that are most in need of this assistance, and encourages recipients to use this opportunity to develop strategies within the community's public health response that respond to the immediate crisis needs of individuals and families experiencing homelessness and at risk of homelessness as well as to develop a plan to respond to the economic effects of coronavirus for individuals and families experiencing homelessness and at risk of homelessness.

4. Use ESG-CV Funds to Prevent the Spread of Coronavirus. To ensure ESG-CV funds are used effectively and efficiently to prevent, prepare for, and respond to coronavirus, recipients should carefully evaluate the appropriateness and cost effectiveness of interventions needed to immediately respond to the public health emergency (e.g., establishing temporary emergency shelters or using funds for hotel and motel vouchers).

5. Use ESG-CV Funds to Quickly Provide Needed Connections to Housing. People experiencing homelessness are at risk for infection during community spread of coronavirus and lack of housing contributes to poor physical and mental health outcomes. HUD encourages recipients to quickly obligate and expend their ESG-CV funds to ensure housing and services are available to people experiencing homelessness and at risk of homelessness.

B. Program Requirements. As a reminder, the following requirements, which apply to annual ESG funding, also apply to ESG-CV funds:

1. Participation of Faith-Based organizations. All requirements of 24 CFR 5.109 apply, and the lawful participation of faith-based entities must not be hindered when administering ESG-CV funds.

2. Prohibition on the provision of illegal or addictive substances. As established in 2 CFR 200.303, 200.404, and 200.423 and Subpart B of 24 CFR Part 576, HUD reminds recipients that using ESG funds to provide alcohol, marijuana, or illegal substances, or any paraphernalia used to partake of any such substance, to program participants is a strictly prohibited.

3. Legal Services Must be Necessary to Obtain or Retain Housing. To be eligible under the ESG program, legal services established in 24 CFR 576.102(a)(1)(vi) and 24 CFR 576.105(b)(4) must be necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside.

4. Use of hotels and motels. While ESG-CV funds may be used to provide hotel or motel stays for program participants consistent with 24 CFR 576.102 and this Notice, providing permanent housing in hotels and motels is an ineligible use of ESG funds (including ESG-CV funds) under section 415(a) of the McKinney-Vento Act and 24 CFR part 576, subpart B.

VIII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD's Funding Opportunities web page at: <https://www.hud.gov/coronavirus/grantees>.

John Gibbs

Acting Assistant Secretary
for Community Planning and Development

Flexibilities/Waivers Granted by the CARES Act + Mega Waiver and Guidance

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CARES ACT FUNDING ALLOCATION

[CPD CARES Act Allocations](#) page shows CPD Program Formula Allocations for FY 2020 and CARES Act Supplemental Funding. These spreadsheets provide full-year allocations for the Office of Community Planning and Development's (CPD) formula programs: Community Development Block Grants (CDBG); CDBG Recovery Housing Program (RHP); HOME Investment Partnerships (HOME); Housing Opportunities for Persons with AIDS (HOPWA); Emergency Solutions Grants (ESG); Housing Trust Fund (HTF); and Coronavirus Aid, Relief, and Economic Security (CARES Act) supplemental funding.

Congress provided \$5 billion (\$10 million taken off the top for TA) in the CARES Act for the Community Development Block Grant (CDBG) program, specifically noting three different allocation methods:

- 1) Round 1. HUD allocated the first \$2 billion based on the same formula used for the regular FY 2020 CDBG formula allocation. HUD announced allocations on April 2, 2020.
- 2) Round 2. This [document](#) describes the methodology for allocating the second round of CDBG CARES Act funding (CDBG-CV). The CARES Act requires HUD to allocate the second round of \$1 billion to state and insular area governments by May 11, 2020. The allocation targets public health, coronavirus, and housing and economic disruption needs.
- 3) Round 3. \$1.990 billion to be allocated for cities, counties, and/or states on a rolling basis based on criteria to be determined by the Secretary, prioritizing risk of transmission, coronavirus cases compared to the national average, and economic and housing market disruptions. The CARES Act does not establish a deadline to allocate funds, but HUD must obligate all funds by September 30, 2022. HUD will describe the third round of allocations in a later allocation announcement.

Congress provided \$4 billion (\$40 million taken off the top for TA) in the CARES Act for the Emergency Solutions Grant (ESG) Program with two rounds of funding:

- 1) Round 1. \$1 billion. Allocated under the normal ESG formula to the roughly 363 grantees (cities, counties, states, insulars).
- 2) Round 2. \$2.960 billion. HUD has committed \$40 million of the appropriated funds to technical assistance to recipients of ESG to build capacity and facilitate speedy implementation. The remaining \$2.96 billion is to be allocated under a formula "for the benefit of unsheltered homeless, sheltered homeless, and those at risk of homelessness, to geographical areas with the greatest need based on factors to be determined by the Secretary, such as risk of transmission of coronavirus, high numbers or rates of sheltered and unsheltered homeless, and economic and housing market conditions as determined by the Secretary."

**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(CAPER) PERFORMANCE REPORT**

A waiver of the regulatory requirement at 24 CFR 91.520(a), that within 90-days of the end of a jurisdiction's program year a grantee shall submit to HUD a performance report known as the Consolidated Annual Performance and Evaluation Report (CAPER) has been authorized. The CAPER is associated with several CPD grant programs.

As a result of the COVID-19 virus, a majority of States have declared a state of emergency with most shutting down large gathering places and limiting the movement of residents. More State and local governments are operating under extenuating circumstances and may need additional time for certain administrative requirements.

Under the authority of 24 CFR 5.110 and 24 CFR 91.600, HUD may, upon a determination of good cause and subject to statutory limitations, waive regulatory provisions. The Acting Assistant Secretary for Community Planning and Development, has determined that there is good cause to waive the following regulatory requirement for the program year 2019 CAPER, subject to the condition that grantees comply with the modified requirement in the applicability section below:

Requirement: The Consolidated Annual Performance and Evaluation Report (performance report) submission to HUD within 90 days after the close of a jurisdiction's program year. Citation: 24 CFR 91.520(a).

Explanation: The regulation at 24 CFR 91.520(a) requires each grantee to submit a performance report to HUD within 90 days after the close of the grantee's program year. Justification: Under the authority at 24 CFR 91.600, HUD is authorized to waive this requirement when a determination of good cause is made and supported by documentation. Given the outbreak of the coronavirus known as SARS-CoV-2 and the extenuating circumstances placed on state and local governments, and citizens, HUD has determined that there is good cause for waiving this provision. The extenuating circumstances and administrative strain supporting this waiver are well documented in the broad public news coverage related to the outbreak.

Applicability: For program year 2019 CAPERs, the requirement that grantees submit a performance report within 90 days after the close of a jurisdiction's program year is waived, subject to the condition that within 180 days after the close of a jurisdiction's program year the jurisdiction shall submit its performance report.

If you need additional information regarding this waiver, please contact your Headquarters program office desk officer(s).

<https://www.hud.gov/sites/dfiles/CPD/documents/CPD-COVID-19-CAPER-Waiver-050420-signed-JG.pdf>

CDBG - COMMUNITY DEVELOPMENT BLOCK GRANT

CARES Act Flexibilities

- **Public Services:** The CARES Act eliminates the 15 percent* cap on the amount of grant funds that can be used for public services activities. *Following enactment, the cap in section 105(a)(8) of the HCD Act and 24 CFR 570.201(e) has no effect. *While the cap is generally 15%, section 105(a)(8) of the Housing and Community Development Act of 1974, provides a different percentage cap for some grantees.*
- **Reimbursement of Costs for Coronavirus:** The CARES Act clarifies that grantees may use CDBG-CV* grant funds to reimburse allowable costs to prevent, prepare for, and respond to coronavirus that were incurred by a State or locality, regardless of the date on which the State or locality incurred the costs. *This provision does not apply to FY 20 and FY 19 CDBG grant funds. *However, for State CDBG Grantees, pre-agreement costs are reimbursable in accordance with 24 CFR 570.489(b). For Entitlement CDBG Grantees, pre-award costs are reimbursable in accordance with 24 CFR 570.200(h).*
- **Citizen Participation and Public Hearings for Consolidated Plans (including Action Plans):** The CARES Act clarifies that grantees may amend citizen participation plans to establish expedited procedures to draft, propose, or amend consolidated plans. Expedited procedures must include notice and reasonable opportunity to comment of no less than 5 days. In-person public hearings are not required. Grantees may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.
- **Deadline to Submit Consolidated Plans (including CDBG-CV Action Plans and Annual Action Plans):** The CARES Act extends the deadline for grantees to submit action plans and other updates to their consolidated plans submissions for fiscal years 2019* and 2020* to August 16, 2021. Grantees are not required to wait and HUD expects most grantees to apply for both grants promptly. **Without extension, the deadline for fiscal year 2020 grants would be August 16, 2020, in accordance with section 116(b) of the HCD Act and 24 CFR 91.15. The deadline for fiscal year 2019 passed on August 16, 2019 (plans due then have been submitted). This deadline also applies to CDBG-CV Action Plan submissions, which are amendments to the consolidated plan.*
- **Waiver and Alternative Requirement Authority:** The CARES Act authorizes the Secretary to issue statutory and regulatory waivers/alternative requirements for CDBG-CV and some CDBG FY19 and FY20 funds when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to coronavirus. It prohibits waivers/alternative requirements related to fair housing, nondiscrimination, labor standards, and the environment.

Regulatory Waivers in the Mega Waiver

- **Citizen Participation Comment Period:** Reduces the period from 30 to 5 days. This only covers substantial amendments through the end of the grantees 2020 program year and only covers 2020 funds. Grantees wanting to amend prior year plans must do so with their 2021 plans.
- **Citizen Participation Reasonable Notice and Opportunity to Comment:** Allows the grantee to determine what is reasonable notice and opportunity to comment and is available through the end of the grantees 2020 program year.

Waiver for Plan Amendments

In addition to urging all States and localities not to wait to apply for their allocations, the memorandum grants a waiver for plan amendments with instructions on how a grantee may submit an amendment for allocated CDBG coronavirus response (CDBG-CV) funds. The expedited process allows a grantee to incorporate CDBG-CV funds within the most recent annual action plan, including a 2019 annual action plan.

The guide outlines the CARES Act flexibilities for CDBG grantees. The flexibilities expand the usefulness of CDBG-CV grants and fiscal years 2019 and 2020 CDBG grants for coronavirus response. The CARES Act also authorizes HUD to grant waivers and alternative requirements to be released in the forthcoming implementation notice. You can view the memo.

<https://www.hudexchange.info/resource/6018/cares-act-flexibilities-for-cdbg-funds-used-to-support-coronavirus-response/>

Setting Up a Substantial Amendment for CARES Act Funding

This guide is for CARES Act Substantial amendments in order to incorporate CDBG-CV, ESG-CV, and HOPWA-CV funding into a grantee's most recent approved Annual Action Plan (AAP). Grantees adding CARES Act funds to a new 2020 Consolidated Plan/Annual Action Plan, see the addendum to this guide. Following the process in this guide allows HUD to complete reviews most expeditiously and best enables later completion of the consolidated annual performance report (CAPER).

<https://files.hudexchange.info/resources/documents/Setting-Up-a-Substantial-Amendment-for-CARES-Act-Funding.pdf>

Quick Guide - CDBG Eligible Activities to Support Infectious Disease Response

This Quick Guide to Community Development Block Grant (CDBG) Eligible Activities to Support Infectious Disease Response provides grantees with information on implementing CDBG funds in a coordinated effort with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use CDBG funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19).

[Quick Guide to CDBG Eligible Activities to Support Infectious Disease Response](#)

CDBG-DR COVID-19 FAQs

These frequently asked questions (FAQs) provide information to Community Development Block Grant Disaster Recovery (CDBG-DR), CDBG National Disaster Resilience (CDBG-NDR), and CDBG Mitigation (CDBG-MIT) grantees on flexibilities HUD is granting on timelines, eligible activities, and citizen participation as communities work to prevent and respond to the spread of COVID-19.

CDBG-DR COVID-19 FAQs

Staff Costs and Unused and Partially Utilized Space Q&A

This question and answer provides information on the eligible use of Community Development Block Grant (CDBG) funds for costs associated with staff who are on leave due to the closure of the grantee or subrecipient's office, and the costs of the grantee or subrecipient's unused or partially utilized space in response to COVID-19.

[CDBG COVID-19 Q&A: Using CDBG Funds for Staff Costs and Unused and Partially Utilized Space \(PDF\)](#)

Section 108 Q&A

Many communities used Section 108 funds to make loans to businesses undertaking economic development projects. Some of these businesses are experiencing reductions in revenue due to the economic impact of coronavirus and are now requesting relief, e.g., forbearance on their payment obligations under their loans. Since repayments of the business loans are the intended source for repayment of the Section 108 loans, the ability of a community to grant relief to a business borrower may depend on the relief HUD can provide the community on the Section 108 loan.

[Section 108 Q&A for Borrowers Seeking Relief as a Result of Coronavirus](#)

CONSOLIDATED PLAN REQUIREMENTS
HOME, CDBG, HTF, ESG, AND HOPWA PROGRAMS

Citizen Participation Public Comment Period for Plan Amendment

- Requirement:** 30-day Public Comment Period.
- Citations:** 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401
- Explanation:** A CPD grantee may amend an approved consolidated plan in accordance with 24 CFR 91.505. Substantial amendments to the consolidated plan are subject to the citizen participation process in the grantee's citizen participation plan. The citizen participation plan must provide citizens with 30 days to comment on substantial amendments.
- Justification:** Given the need to expedite actions to respond to COVID-19, HUD waives 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i) as specified below, in order to balance the need to respond quickly to the growing spread and effects of COVID-19 with the statutory requirement to provide reasonable notice and opportunity for citizens to comment on substantial amendments concerning the proposed uses of CDBG, HOME, HTF, HOPWA or ESG funds.
- Applicability:** This 30-day minimum for the required public comment period is waived for substantial amendments, provided that no less than 5 days are provided for public comments on each substantial amendment. The waiver is available through the end of the recipient's 2020 program year. Recipients wishing to undertake further amendments following the 2020 program year can do so during the development of its FY 2021 Annual Action Plan.

Citizen Participation Reasonable Notice and Opportunity to Comment

- Requirement:** Reasonable Notice and Opportunity to Comment.
- Citations:** 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401
- Explanation:** As noted above, the regulations at 24 CFR 91.105 (for local governments) and 91.115 (for States) set forth the citizen participation plan requirements for recipients. For substantial amendments to the consolidated plan, the regulations require the recipient to follow its citizen participation plan to provide citizens with reasonable notice and opportunity to comment. The citizen participation plan must state how reasonable notice and opportunity to comment will be given.
- Justification:** HUD recognizes the efforts to contain COVID-19 require limiting public gatherings, such as those often used to obtain citizen participation, and that there is a need to respond quickly to the growing spread and effects of COVID-19. Therefore, HUD waives 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401 as specified below to allow these grantees to determine what constitutes reasonable notice and opportunity to comment given their circumstances.
- Applicability:** This authority is in effect through the end of the 2020 program year.

Substantial Amendment Guide

This [guide](#) is for CARES Act Substantial amendments in order to incorporate CDBG-CV, ESG-CV, and HOPWA-CV funding into a grantee's most recent approved Annual Action Plan (AAP). Grantees adding CARES Act funds to a new 2020 Consolidated Plan/Annual Action Plan, see the addendum to this guide. Following the process in this guide allows HUD to complete reviews most expeditiously and best enables later completion of the consolidated annual performance report (CAPER).

<https://files.hudexchange.info/resources/documents/Setting-Up-a-Substantial-Amendment-for-CARES-Act-Funding.pdf>

EMERGENCY SOLUTIONS GRANTS PROGRAM (ESG)

CARES Act Flexibilities

SUMMARY:

- \$4 Billion appropriation
- No Emergency Shelter/Street Outreach cap
- Increase of admin from 7.5% to 10%
- Increase of income limit from 30% to 50% AMI for Homelessness Prevention component
- Eliminates matching requirement
- Allows deviation from applicable procurement standards when procuring goods and services to prevent, prepare for, and respond to coronavirus;
- Prohibits using any funds to require people experiencing homelessness to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services.
- No citizen participation or consultation requirements
- No minimum period of use for emergency shelters

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Public Law 116-136) makes available \$4 billion in supplemental Emergency Solutions Grants (ESG) Program and \$65 million in supplemental Housing Opportunities for Persons With AIDS (HOPWA) funding for grants to prevent, prepare for, and respond to coronavirus (ESG-CV grants). Additionally, the CARES Act provides various flexibilities and authority for HUD to issue waivers and alternative requirements to make it easier for ESG and HOPWA grantees to use ESG-CV and HOPWA-CV grant funds and annual ESG and HOPWA grant funds for coronavirus response.

ESG and HOPWA grantees are advised to amend or prepare their plans as soon as possible. Grantees have the option of incorporating CARES Act funding into their FY20 Consolidated Plans currently being drafted. However, HUD recommends that grantees submit a substantial amendment to their most recent annual Action plan to expedite their access to CARES Act funding. Similarly, grantees should not wait for HUD to allocate the remaining \$2.96 billion of the \$4 billion provided by the CARES Act for the ESG Program

ESG and HOPWA grantees should proceed with all amendments and plans now by adding the ESG-CV and HOPWA-CV allocations into their plans as available resources for the year. This memorandum transmits the attached instructions for submitting substantial amendments in the eCon Planning Suite for CDBG, ESG, and HOPWA programs.

ESG recipients have the immediate ability to omit the citizen participation and consultation requirements for substantial amendments and new consolidated plan submissions for ESG-CV funding. However, each grantee must publish how it has used and will use its allocation, at a minimum, on the Internet at the appropriate Government website or through other electronic media. Please note that these new provisions are only applicable to ESG funding from the CARES Act.

For HOPWA, the Availability of Waivers of Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 memo allowed flexibility to waive 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) to the extent necessary to allow the grantee to provide no fewer than 5 calendar days for citizen comment (rather than 30 days) for its substantial amendment. Grantees should post the substantial amendment on its official website along with a summary of citizen comments received within the comment period.

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To expedite grantees' use of ESG-CV funds to prevent, prepare for, and respond to coronavirus as authorized by the CARES Act, HUD is waiving the requirements at 42 U.S.C. 12705(a)(2) to the extent it requires updates to the housing and homeless needs assessment, housing market analysis and strategic plan. For both ESG-CV and HOPWA-CV funds, HUD is also waiving 24 CFR 91.220 and 91.320, pursuant to its authority under 24 CFR 91.600, to the extent the action plan is limited to a specific program year to permit grantees to prepare substantial amendments to their most recent annual action plan, including their 2019 annual action plan. Grantees must identify the proposed use of all funds and how the funds will be used to prevent, prepare for, and respond to coronavirus.

To the extent necessary for the required submission of a substantial amendment to HUD in accordance with 24 CFR 91.500, the Department is also waiving 24 CFR 91.505(c), pursuant to 24 CFR 91.600, to facilitate the expedited use of ESG-CV and HOPWA-CV funds. To receive an ESG-CV or HOPWA-CV grant, a grantee must also submit a signed SF-424, SF-424D and the certifications at 24 CFR 91.225(a), (c) and (e), or 24 CFR 91.325(a), (c), and (e). HUD will provide new certifications consistent with the alternative requirements provided by the CARES Act.

Please send additional inquiries to the HUD Exchange Ask A Question (AAQ) portal.

Mega Waiver

HMIS Lead Activities

Requirement:	ESG funds may be used to pay the costs of managing and operating the HMIS, provided that the ESG recipient is the HMIS Lead.
Citation:	24 CFR 576.107(a)(2)
Explanation:	To enable ESG-funded projects to participate in HMIS as required by section 416(f) of the McKinney-Vento Homeless Assistance Act, 24 CFR 576.107(a)(2) authorizes the use of ESG funds for managing and operating the HMIS (e.g., hosting and maintaining HMIS software or data, upgrading, customizing, and enhancing the HMIS), only where the ESG recipient is the HMIS Lead, as designated by the CoC.
Justification:	Waiving the rule as specified below would allow more recipients to use ESG funding to upgrade or enhance the HMIS as needed to incorporate ESG program data related to COVID-19.
Applicability:	The condition that the recipient must be the HMIS Lead to pay costs under 24 CFR 576.102(a)(2) is waived to the extent necessary to allow any recipient to use ESG funds to pay costs of upgrading or enhancing its local HMIS to incorporate data on ESG Program participants and ESG activities related to COVID-19. This waiver is in effect for 6-months beginning on the date of this memorandum.

Re-evaluations for Homelessness Prevention Assistance

Requirement:	Homelessness prevention assistance is subject to re-evaluation of each program participant's eligibility need for assistance not less than once every 3 months.
Citation:	24 CFR 576.401(b)
Explanation:	The ESG regulations at 24 CFR 576.401(b) requires recipients or subrecipients providing homelessness prevention assistance to re-evaluate the program participant's eligibility, and the types and amounts of assistance the program participant needs not less than once every 3 months.

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- Justification:** Waiving re-evaluation requirement for homelessness prevention assistance as specified below is necessary to help program participants remain stable in housing during the economic uncertainty caused by COVID-19.
- Applicability:** The required frequency of re-evaluations for homelessness prevention assistance under section 576.401(b) is waived for up to 2-years beginning on the date of this memorandum, so long as the recipient or subrecipient conducts the required re-evaluations not less than once every 6 months.

Housing Stability Case Management

To the extent that funding provided under the CARES Act for the ESG program is subject to the same requirements in 24 CFR part 576 that apply to ESG funding provided through annual appropriations, the waivers made available on March 31, 2020 for ESG are made available with respect to the CARES Act funding for the same justifications and subject to the same conditions.

Additionally, the following housing stability case management waiver is made available with respect to all ESG grants, whether funded under the CARES Act or annual ESG appropriations.

- Requirement:** Program participants receiving homelessness prevention or rapid re-housing assistance must meet with a case manager not less than once per month, unless certain statutory prohibitions apply.
- Citation:** 24 CFR 576.401(e)
- Explanation:** Under 24 CFR 576.401(e), the recipients or subrecipients must require program participants to meet with a case manager not less than once per month to assist them in ensuring long-term housing stability, unless the Violence Against Women Act of 1994 or Family Violence Prevention and Services Act prohibits the recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services. As provided by the CARES Act, people experiencing homelessness cannot be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services funded with ESG grants provided under the CARES Act. Accordingly, 24 CFR 576.401(e) does not apply to the extent the assistance is provided with CARES Act funding to people who qualified as homeless at the start of that assistance.
- Justification:** HUD originally waived this requirement for 2-months on March 31, 2020. Recipients are continuing to report limited staff capacity as staff members are home for a variety of reasons related to COVID-19 (e.g., quarantining, children home from school, working elsewhere in the community to manage the COVID-19 response). In addition, not all program participants have capacity to meet via phone or internet. Waiving the monthly case management requirement as specified below will allow recipients to provide case management on an as needed basis and reduce the possible spread and harm of COVID-19.
- Applicability:** This waiver is in effect for an additional three months beginning on March 31, 2020.

Restriction of Rental Assistance to Units with Rent at or Below FMR

Requirement:	Restriction of rental assistance to units with rent at or below FMR.
Citation:	24 CFR 576.106(d)(1)
Explanation:	Under 24 CFR 576.106(d)(1), rental assistance cannot be provided unless the total rent is equal to or less than the FMR established by HUD, as provided under 24 CFR Part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
Justification:	Quickly moving people into permanent housing is especially critical in preventing the spread of COVID-19. Waiving the limit on rental assistance to rents that are equal to or less than the FMR, established by HUD, will assist recipients and subrecipients in more quickly locating additional units to house individuals and families experiencing homelessness.
Applicability:	The FMR restriction is waived for any individual or family receiving Rapid Re-housing or Homelessness Prevention assistance who executes a lease for a unit during the 6-month period beginning on the date of this memorandum. The ESG recipient or subrecipient must still ensure that the units in which ESG assistance is provided to these individuals and families meet the rent reasonableness standard.

[Availability of Waivers of CPD Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 \(March 31, 2020\)](#)

[Availability of Waivers of Community Planning and Development \(CPD\) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19](#)

[Availability of Additional Waivers for Community Planning and Development \(CPD\) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 \(May 22, 2020\)](#)

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

[HOME COVID-19 guidance](#) and the necessary statutory suspensions and regulatory waivers to enable HOME participating jurisdictions (PJs) affected by the Coronavirus Disease 2019 (COVID-19) pandemic to use HOME funds to address immediate housing needs and to help prevent spread of the virus. This is divided into two sections. Section I addresses PJs located in areas covered by a major disaster declaration made under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Section II describes regulatory waivers available to all HOME PJs, not just those included in a major disaster declaration. Provisions that are not specifically suspended or waived remain in full effect.

CPD Field Offices shall inform PJs of the availability of these suspensions and waivers. A PJ that intends to implement the HOME statutory suspensions and/or regulatory waivers identified below, must send written notification via e-mail to the CPD Division in its local HUD Field Office before it implements the waiver or suspension. This written notification must identify which suspensions and/or waivers the PJ plans to use.

Waiver and Suspension Authority

Section 290 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (NAHA), as amended, authorizes HUD to suspend HOME statutory requirements to assist PJs in addressing the damage in an area for which the President has issued a major disaster declaration under Title IV of the Stafford Act and to assist them in disaster recovery.

Upon determination of good cause, in accordance with 24 CFR 5.110, HUD may waive regulatory provisions subject to statutory limitations. These provisions provide HUD the authority to make waiver determinations for the HOME program.

Section I: Statutory Suspensions and Regulatory Waivers Available Only to Major Disaster Areas

Pursuant to the authority provided in Section 290 of NAHA and 24 CFR 5.110, I hereby find good cause, as stated in the justifications that follow, to suspend the statutory provisions and waive the related regulatory provisions described below for PJs covered by a major disaster declaration under Title IV of the Stafford Act as a result of the COVID-19 pandemic. These suspensions and waivers are also available to any PJ that receives a major disaster declaration related to the COVID-19 pandemic after the date of this memo. These suspensions and waivers are intended to provide maximum administrative flexibility to PJs and better assist low- and very low-income households as they deal with the effects of the COVID-19 pandemic.

10% Administration and Planning Cap

Requirement:	Limitation on the Use of HOME Funds for Administrative Costs
Citations:	Section 212(c) of NAHA and 24 CFR 92.207
Explanation:	These provisions limit the amount of HOME funds that a PJ may use for administrative and planning costs associated with its HOME award. A PJ may expend up to 10 percent of its annual HOME allocation, plus any program income received, for administrative and planning costs. These provisions are suspended to enable the PJ to expend up to 25 percent of its FY 2019 and FY 2020 allocations and program income received for administrative and planning costs.
Justification:	This suspension is required to provide the PJ adequate funds to pay for the increased cost of administering HOME-related activities to address the effects of COVID-19, including attempts

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to prevent the spread of the virus. The suspension is also intended to relieve the PJ of the burden of identifying other general funds to pay HOME administrative and planning costs at a time when the State and local tax revenues that provide general operating revenue are decreasing.

Applicability: This suspension and waiver applies to the FY 2019 and FY 2020 HOME allocations of PJs that are covered by a major disaster declaration.

CHDO Set-aside Requirement

Requirement: Set-aside for Community Housing Development Organizations (CHDOs)

Citations: Section 231 of NAHA and 24 CFR 92.300(a)(1)

Explanation: These provisions establish a set-aside for CHDOs. The PJ must use 15 percent of each annual allocation of HOME funds only for housing owned, developed, or sponsored by CHDOs.

Justification: The suspension and waiver are required to relieve the PJ of requirements that may impede the obligation and use of funds to expeditiously assist families affected by the COVID-19 pandemic. Suspension of the CHDO set-aside will immediately make additional HOME funds available for activities such as tenant-based rental assistance for which CHDO set-aside funds cannot be used.

Applicability: The CHDO set-aside requirement is reduced to zero percent for the fiscal year 2017, 2018, 2019, and 2020 allocations of State and local PJs.

Limits and Conditions on CHDO Operating Expense Assistance

Requirement: Operating Assistance for Community Housing Development Organizations (CHDOs)

Citations: Section 212(g) and 234(b) of NAHA; 24 CFR 92.208 and 24 CFR 92.300(e) and (f)

Explanation: Section 212(g) of NAHA and 24 CFR 92.208 limit the amount of CHDO operating assistance that a PJ may provide to 5% of each annual HOME allocation. Section 234(b) of NAHA and 24 CFR 92.300(f) limit the amount of CHDO operating assistance, in combination with certain other forms of assistance, that each CHDO may receive to the greater of 50% of its annual operating budget or \$50,000. 24 CFR 92.300(e) requires a CHDO receiving operating assistance that is not currently receiving CHDO set-aside funding for a specific project must be expected to receive such funding within 24 months.

These statutory provisions are suspended and regulatory provisions are waived to permit a PJ to provide up to 10% of its FY 2019 and FY 2020 HOME allocations as operating assistance to CHDOs and to permit a CHDO to receive funding to fill operating budget shortfalls, even if the amount exceeds the higher of \$50,000 or 50% of its annual operating budget. Furthermore, PJs will not be required to include a provision in the written agreement with the CHDO that the CHDO is expected to receive CHDO set-aside funds within 24 months of receiving the additional operating assistance, as required in 24 CFR 92.300(e).

Justification: The suspension and waiver of these requirements is required to ensure that CHDOs are able to maintain operations and retain staff capacity to own, develop and sponsor housing with CHDO set-aside funds to serve communities impacted by the COVID-19 pandemic

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Applicability: PJs in areas covered by a major disaster declaration may use up to 10% of their FY 2019 and FY 2020 allocations for CHDO operating assistance. A CHDO receiving increased operating assistance must use the assistance to maintain organizational capacity during the COVID-19 pandemic. CHDOs may receive increased operating assistance under these suspensions and waivers through June 30, 2021.

Matching Contribution Requirement

Requirement: Reduction of Matching Contributions

Citation: 24 CFR 92.218 and 92.222(b)

Explanation: The provisions of 24 CFR 92.218 and 24 CFR 92.222(b) require all HOME PJs to contribute throughout the fiscal year to housing that qualifies as affordable housing under the HOME program. The contributions must total no less than 25 percent of the HOME funds drawn from the PJ's HOME Investment Trust Fund Treasury account. The COVID-19 pandemic has drastically reduced economic activity, reducing state and local tax revenues and placing financial strain on PJs as they deliver urgently needed public health, emergency housing, education, community and social services. Reducing the matching requirement for PJs in areas covered by a major disaster declaration by 100 percent for FY 2020 and FY 2021 will ease the economic burden on PJs and eliminate the need for them to identify other sources of match for HOME activities

Justification: Given the urgent housing and economic needs created by COVID-19, and the substantial financial impact the PJ will face in addressing those needs, waiver of these regulations will relieve the PJ from the need to identify and provide matching contributions to HOME projects.

Applicability: This match reduction applies to funds expended by a PJ located in Presidentially declared-disaster area between October 1, 2019 and September 30, 2021.

Section II: Regulatory Waivers Available to All Participating Jurisdictions

The following regulatory waivers are available to all PJs, not just those PJs covered by a major disaster declaration under Title IV of the Stafford Act. Pursuant to the authority provided in 24 CFR 5.110, I hereby waive the HOME regulatory requirements specified below for all HOME PJs.

Citizen Participation Reasonable Notice and Opportunity to Comment

Citation: 24 CFR 91.105(c)(2) and (k) (Local governments), 24 CFR 91.115(c)(2) and (i) (States), and, 24 CFR 91.235(e) (Insular areas) 24 CFR 91.401 (Consortia)

Explanation: The regulations at 24 CFR 91.105(c)(2) and (k) (Local governments), 24 CFR 91.115(c)(2) and (i) (States), 24 CFR 91.235(e) (Insular Areas), and 24 CFR 91.401 (Consortia) set forth the citizen participation requirements for PJs. For substantial amendments to the consolidated plan, the regulations require the PJ to follow its citizen participation plan to provide citizens with reasonable notice and opportunity to comment. The citizen participation plan must state how reasonable notice and opportunity to comment will be given. This waiver will permit PJs amending their plans as a result of the COVID-19 pandemic to reduce the comment period to 5 days.

Justification: Given the unprecedented economic disruptions caused by the COVID-19 pandemic, PJs may need to expeditiously reprogram HOME funds to activities that more directly meet their immediate housing needs, including reprogramming funds to cover increased administrative

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costs or away from other development activities. Requiring these PJs to complete the required public comment period would cause undue delays in the face of urgent and growing need. PJs must have the ability to respond immediately to the unprecedented housing need caused by the COVID-19 pandemic.

Applicability: This waiver is in effect for any necessary substantial amendments to FY 2020 and earlier consolidated plans or action plans

Income Documentation

Requirement: Source Documentation for Income Determinations

Citations: 24 CFR 92.203(a)(1) and (2), 24 CFR 92.64(a) (Insular Areas)

Explanation: These sections of the HOME regulation require initial income determinations for HOME beneficiaries by examining source documents covering the most recent two months. 24 CFR 92.64(a) applies these requirements to Insular Areas.

Justification: This waiver permits the PJ to use self-certification of income, as provided at §92.203(a)(1)(ii), in lieu of source documentation to determine eligibility for HOME assistance of persons requiring emergency assistance related to COVID-19. Many families affected by actions taken to reduce the spread of COVID-19, such as business closures resulting in loss of employment or lay-offs, will not have documentation that accurately reflects current income and will not be able to qualify for HOME assistance if the requirement remains effective.

Applicability: The waiver applies to individuals and families that have lost employment or income either permanently or temporarily due to the COVID-19 pandemic and who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. This waiver also applies to homeless individuals and families who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. Timely provision of this assistance will reduce the spread of COVID-19.

If a PJ chooses to use this waiver availability, the PJ must ensure that self-certified income takes into consideration all income, including any unemployment and emergency benefits the applicant will receive. However, for purposes of an applicant's self-certification, emergency tax relief (commonly referred to as stimulus payments) is not to be included as an emergency benefit. Also, the PJ must arrange to conduct on-site rent and income reviews within 90 days after the waiver period. The PJ must include tenant income certifications in each project file. This waiver remains in effect through December 31, 2020.

On-Site Inspections of HOME-assisted Rental Housing

Requirement: Ongoing Periodic Inspections of HOME-assisted Rental Housing

Citation: 24 CFR 92.504(d)(1)(ii) and 24 CFR 92.64(a) (Insular Areas)

Explanation: These provisions require that during the period of affordability PJs perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards at §92.251 and to verify the information submitted by the owners in accordance with the income and rent requirements of §92.252. On-site inspections must occur at least once every three

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years during the period of affordability. 24 CFR 92.64(a) applies these requirements to Insular Areas.

Justification: Waiving the requirement to perform ongoing on-site inspections will help protect PJ staff and limit the spread of COVID-19. To protect PJ staff and reduce the spread of COVID-19, this waiver extends the timeframe for PJs to perform on-site reviews to determine a HOME rental project's compliance with rent and income requirements if the project owner is unable to make the documentation available electronically.

Applicability: The waiver is applicable to ongoing periodic inspections and does not waive the requirement to perform initial inspections of rental properties upon completion of construction or rehabilitation. The waiver is in effect through December 31, 2020. Within 120 days of the end of this waiver period, PJs must physically inspect units that would have been subject to HQS inspections during the waiver period.

Annual Inspection of Units Occupied by Recipients of HOME Tenant-Based Rental Assistance (TBRA)

Requirement: Annual Inspections of TBRA Units

Citation: 24 CFR 92.504(d)(1)(iii); 24 CFR 92.209(i) requirement for annual re-inspections. 24 CFR 92.64(a) (Insular Areas)

Explanation: These provisions require PJs to annually inspect each unit occupied by a recipient of HOME TBRA. 24 CFR 92.64(a) applies these requirements to Insular Areas.

Justification: Waiving the requirement that these annual inspections be performed according to schedule will protect the health of both inspectors and TBRA tenants by observing physical distancing recommendations to limit the spread of COVID-19.

Applicability: The waiver is applicable to annual HQS re-inspections required to occur from the date of this memorandum through December 31, 2020. At the end of this waiver period, PJs must inspect units that would have been subject to HQS inspections during the waiver period within 90 days of the expiration of the waiver. In addition, PJs shall make reasonable efforts to address any tenant-reported health and safety issues during the waiver period.

Four-Year Project Completion Requirement

Requirement: Four-Year Project Completion Deadline

Citation: 24 CFR 92.205(e)(2) and 24 CFR 92.64(a) (Insular Areas)

Explanation: The provision requires that projects assisted with HOME funds be completed within 4 years of the date that HOME funds were committed. If the project is not complete, in accordance with the definition of "project completion" at 24 CFR 92.2, by the deadline, the project is involuntarily terminated in HUD's Integrated Data Information System (IDIS), and the PJ must repay all funds invested in the project. The regulations permit a PJ to request an extension of the deadline for up to one-year. 24 CFR 92.64(a) applies these requirements to Insular Areas.

- Justification:** This waiver is necessary to provide additional time to permit completion of HOME-assisted projects that may be delayed as a result of the impact of COVID-19 on project timelines. These delays may occur as a result of worker illnesses or efforts to reduce the spread of COVID-19, such as smaller construction crews or delays in local permitting or inspections due to government office closures.
- Applicability:** This waiver applies to projects for which the 4-year project completion deadline will occur on or after the date of this memorandum. The completion deadlines for covered projects are extended to December 31, 2020.

Nine-Month Deadline for Sale of Homebuyer Units

- Requirement:** Qualification as Affordable Housing: Homeownership
- Citation:** 24 CFR 92.254(a)(3) and 24 CFR 92.64(a) (Insular Areas)
- Explanation:** This provision requires that a homebuyer housing unit developed with HOME funds have a ratified contract for sale to an eligible homebuyer within 9 months of the date of completion of construction or rehabilitation. If there is no ratified sales contract with an eligible homebuyer within 9 months of completion of construction or rehabilitation, the housing must be rented to an eligible tenant in accordance with §92.252. 24 CFR 92.64(a) applies these requirements to Insular Areas.
- Justification:** Many PJs will not be able to meet this deadline due to the effect the COVID-19 pandemic will have on the ability of eligible households to qualify for mortgages due to income losses or to schedule inspections, titles searches, or closings during periods of business closures. The waiver is necessary to prevent the loss of homeownership opportunities for HOME-eligible families and temporarily suspend the required corrective actions of repayment of HOME funds or conversion of the homebuyer units to rental housing.
- Applicability:** The waiver applies to projects for which the 9-month homebuyer sale deadline occurs on or after the date of this memorandum and extends the deadline for those projects to December 31, 2020. This waiver does not apply to the remaining requirements of the regulation, including that a homebuyer must receive housing counseling, and that a PJ must determine eligibility of a family by including the income of all persons living in the housing.

Use of HOME Funds for Operating Reserves for Troubled HOME Projects

- Requirement:** Troubled HOME Projects
- Citations:** 24 CFR 92.210(a) and (b) and 24 CFR 92.64(a) (Insular Areas)
- Explanation:** 24 CFR 92.210 establishes provisions to permit HOME rental projects that are not financially viable (i.e., projects for which operating costs significantly exceed operating revenue) to be preserved through the use of HOME funds to recapitalize project reserves. 24 CFR 92.210(a) requires HUD to review market needs, available resources, and the likelihood of long-term viability of the project before approving this use of HOME funds. 24 CFR 92.210(b) requires a written memorandum of agreement between HUD and the PJ as a precondition of this funding and certain limitations on the amount of funding. 24 CFR 92.64(a) applies these requirements to Insular Areas.

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Justification: The waiver is necessary to enable PJs to take rapid action to preserve the financial viability of HOME-assisted affordable rental projects currently under a HOME period of affordability. Because existing tenants in HOME units may be unable to meet their rent obligations due to the economic impact of the COVID-19 pandemic, HOME rental projects may experience operating deficits due to the sudden decrease in rental revenue

Applicability: The waiver applies to HOME-assisted rental projects currently within the period of affordability established in the HOME written agreement. PJs will not be required to obtain HUD approval or execute a memorandum of agreement with HUD before providing this assistance. PJs may only exercise this waiver authority when the project owner agrees to forego: 1) any distributions of residual receipts resulting from the project throughout the waiver period and for a period of 6 months thereafter; 2) any right under the existing lease agreement or State or local law to pursue legal action against tenants of HOME-assisted units for non-payment of rent and the collection of any fees associated with late payments without prior approval of the PJ; and 3) any adverse credit reporting against tenants of HOME-assisted units for nonpayment of rent or fees without prior approval of the PJ

The PJ may provide additional HOME funds to recapitalize operating deficit reserves for HOME-assisted rental projects if the PJ determines that the project is experiencing operating deficits related to the economic effects of the COVID-19 pandemic during the waiver period. The PJ may only provide this assistance to projects experiencing operating deficits that will not be covered by insurance or other sources (e.g., other private, local, state, or federal funds)

The maximum amount of HOME assistance that may be provided is equal to the total of the project's operating expenses, previously scheduled payments to a replacement reserve, and actual debt service (excluding debt service of loans in forbearance) multiplied by the proportionate share of HOME-assisted units to the total number of units in the project for the period beginning on April 1, 2020 and ending on December 31, 2020. Project operating expenses may be demonstrated by one of the following:

- The Owner's most recent year to date financials for the project;
- Certified project-level accounting records covering the most recent 3 months; and
- Copies of project-level bank statements covering the most recent 3 months.

Project operating expenses may also be adjusted due to COVID-19-related expenditures and foregone expenses due to social distancing measures and other COVID-19-related impacts. An owner may demonstrate these expenses with recent receipts, copies of work orders, revised budgets that have been certified by the project owner as true, accurate representations of current expenditures.

In order to take advantage of this waiver, PJs must amend the HOME written agreement with the project owner to include the amount of HOME funds that will be provided to an operating reserve (i.e., the proportion of total costs attributable to HOME units as described in the paragraph above), the costs eligible to be paid with HOME funds in the operating reserve (i.e., operating expenses, scheduled payments to a replacement reserve, and qualifying debt service), and the documentation the PJ is required to maintain to demonstrate the allowable amounts and eligibility of costs paid with the HOME funds in the operative reserve.

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The written agreement must specify that the owner must forego: 1) any distributions of residual receipts during the period this waiver is in effect and for a period of 6 months thereafter; 2) any right under the existing lease agreement or State or local law to pursue legal action against tenants of HOME-assisted units for non-payment of rent and the collection of any fees associated with late payments without prior approval of the PJ; and 3) any adverse credit reporting against tenants of HOME-assisted units for nonpayment of rent or fees without prior approval of the PJ.

Within 6 months following the waiver period, the PJ must review the project's records of actual revenue and operating expenses, total amount of HOME funds expended from the operating reserve, and the eligibility of expenses by examining invoices and receipts. The written agreement must require the project owner to repay any expenditures for costs determined to be ineligible and any balance of HOME funds remaining in the reserve after December 31, 2020. Any HOME funds repaid to the PJ must be deposited in the local HOME account and reported as program income in IDIS.

The waiver is effective through December 31, 2020.

Timeframe for a Participating Jurisdiction's Response to Findings of Noncompliance

Requirement:	Corrective and Remedial Actions
Citations:	24 CFR 92.551(b)(1) and 24 CFR 92.64(a) (Insular Areas)
Explanation:	24 CFR 92.551(b)(1) requires that if HUD determines preliminarily that a PJ has not met a provision of the HOME regulations, the PJ must be notified and given an opportunity to respond within a time period prescribed by HUD, not to exceed 30 days. 24 CFR 92.64(a) applies this requirement to Insular Areas.
Justification:	The waiver is necessary to permit HUD to provide a PJ with an extended period to respond to findings of noncompliance in recognition of the unanticipated circumstances created by the COVID-19 pandemic. While HUD must continue its oversight function for the HOME Program, requiring PJs to respond to all findings of noncompliance within 30 days may interfere with a PJ's ability to address the unprecedented housing needs caused by the COVID-19 pandemic.
Applicability:	The waiver applies to all findings of noncompliance with the HOME regulations issued from the date of this memorandum through December 31, 2020. In the notice of findings, HUD will specify a time period for the PJ's response based on the nature of the noncompliance and required corrective action(s). HUD may also, upon request by the PJ, extend time periods imposed before the date of this memorandum.

Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic

HOME-ASSISTED TENANT-BASED RENTAL ASSISTANCE (TBRA) FOR EMERGENCY AND SHORT-TERM ASSISTANCE

HOME – TBRA – Suspensions and Regulatory Waivers

Guidance and the necessary statutory suspensions and regulatory waivers to enable HOME participating jurisdictions (PJs) affected by the Coronavirus Disease 2019 (COVID-19) pandemic to use HOME tenant-based rental assistance (TBRA) funds to facilitate urgent housing assistance to the communities and families experiencing financial hardship. It is divided into two sections. Section I addresses PJs located in the areas covered by a major disaster declaration made under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Section II describes regulatory waivers available to all HOME PJs not just those PJs included in a major disaster declaration. Provisions that are not specifically suspended or waived remain in full effect.

While HOME program funds are primarily a resource for the physical development of affordable housing, the Department recognizes that the COVID-19 pandemic has caused widespread economic damage and created an unprecedented need for housing assistance among individuals and families directly affected by these unanticipated economic changes. The suspensions and waivers provided will allow PJs to use HOME funds for TBRA to individuals and families experiencing financial hardship as a result of the COVID-19 pandemic, including 1) providing immediate rental assistance to individuals and families seeking housing, 2) assisting households that have housing but face reduced or lost wages, and 3) assisting existing TBRA families that need additional assistance due to reduced or lost wages.

CPD Field Offices shall inform PJs of the availability of these suspensions and waivers. A PJ that intends to implement the HOME statutory suspensions and/or regulatory waivers identified below must send written notification via e-mail to the CPD Division in its local HUD Field Office before it implements the waiver and/or suspension. This written notification must identify which suspensions and/or waivers the PJ plans to use.

Waiver and Suspension Authority

Section 290 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (NAHA), as amended, authorizes HUD to suspend, respectively, HOME statutory requirements to assist PJs in addressing the damage in an area for which the President has issued a major disaster declaration under Title IV of the Stafford Act and to assist them in disaster recovery.

Upon determination of good cause, in accordance with 24 CFR 5.110, HUD may waive regulatory provisions subject to statutory limitations. These provisions provide HUD the authority to make waiver determinations for the HOME program.

Section I: Statutory Suspensions and Regulatory Waivers Available Only to Major Disaster Areas

Pursuant to the authority provided in Section 290 of NAHA and 24 CFR 5.110, I hereby find good cause, as stated in the justifications that follow, to suspend HOME statutory requirements and waive related regulatory requirements specified below for PJs covered by a major disaster declaration under the Title IV of the Stafford Act as a result of the COVID-19 pandemic.

Consolidated Plan – HOME Certification, Analysis of Local Market Conditions, and Citizen Participation

Citations:	Section 212(a)(3)(A)(i) of NAHA and 24 CFR 92.209(b) 24 CFR 91.105(c)(2) and (k), 24 CFR 91.215(b)(1) and (e) and 24 CFR 91.225(d)(1) (Local governments), 24 CFR 91.115(c)(2) and (i), 24 CFR 91.315(b)(1) and (e) and 24 CFR 91.325(d)(1) (States), 24 CFR 91.401, 24 CFR 91.415 and 24 CFR 91.425(2)(i) (Consortia), and 24 CFR 91.235(e) and 24 CFR 92.61 (Insular Areas)
Explanation:	<p>Section 212(a)(3)(A)(i) of NAHA requires that a PJ that intends to use HOME funds for TBRA certify that the provision of such assistance is an essential part of its Consolidated Plan based on an analysis of local market conditions. This requirement is codified in 24 CFR 92.209(b) and for Insular Areas 24 CFR 92.61, as well as in the Consolidated Submissions for Community Planning and Development Programs regulations at 24 CFR 91.215(b)(1) and (e) and 91.225(d)(1) (for local governments), 24 CFR 91.315(b)(1) and (e) and 91.325(d)(1) (for States), and 24 CFR 91.415 and 91.425(2)(i) (for Consortia). When amending its Consolidated Plan, a PJ must follow the citizen participation plan it developed and adopted in accordance with 24 CFR 91.105(c)(2) and (k) (for local governments), 24 CFR 91.115(c)(2) and (i) (for States), 24 CFR 91.235(e) (Insular Areas), and 24 CFR 91.401 (for Consortia). The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given and provide a period of not less than 30 calendar days to allow citizens to submit comments.</p> <p>This suspension will eliminate: 1) the requirement for PJs to amend their Consolidated Plans to include or revise an analysis of local market conditions before implementing a TBRA program; and 2) the requirement that PJs certify that the use of HOME funds for TBRA is an essential element of the Consolidated Plan and that it has conducted an analysis of local needs. PJs that choose to use HOME TBRA to address the urgent housing needs resulting from the COVID-19 pandemic may do so by amending their Annual Action Plan to reflect the use of HOME funds for TBRA without meeting these requirements.</p>
Justification:	Given the unprecedented economic disruptions and associated job losses caused by the COVID-19 pandemic, there is an urgent need for TBRA assistance in communities across the country. Requiring PJs to conduct an analysis of local market conditions, amend their Consolidated Plan, and complete the required public comment period would cause undue delays in commencing TBRA programs to address the urgent and growing need. PJs must have the ability to respond immediately to the unprecedented housing needs created by the COVID-19 pandemic.
Applicability:	This suspension and regulatory waiver is applicable to a PJ's current 5-year Consolidated Plan and any Consolidated/Action Plans being amended to reprogram funds to TBRA to address housing needs related to the COVID-19 pandemic.

Tenant Selection and Targeted Assistance

Citation:	Section 212(a)(3)(A)(ii) of NAHA, 24 CFR 92.209(c) and 24 CFR 92.64(a) (Insular Areas)
Explanation:	Section 212(a)(3)(A)(ii) of NAHA requires a PJ to establish written tenant selection criteria for its TBRA program. In accordance with 24 CFR 92.209(c), or 24 CFR 92.64(a) for Insular Areas, those criteria must be consistent with the local housing needs and priorities established in the PJ's Consolidated Plan. This suspension will eliminate the need for PJs to develop or revise written tenant selection criteria and will allow PJs to assist individuals requiring immediate housing assistance as a result of the COVID-19 pandemic.
Justification:	Given the sudden onset and severe effects of the COVID-19 pandemic, PJs could not anticipate the urgent, widespread housing needs created by the pandemic or reflect those needs and priorities in the Consolidated Plan. Suspending this provision will provide PJs with greater flexibility to expeditiously use TBRA as a resource to assist individuals and families affected by the COVID-19 pandemic.
Applicability:	Suspending Section 212(a)(3)(A)(ii) of NAHA and waiving 24 CFR 92.209(c) and 24 CFR 92.64(a) for Insular Areas eliminates the requirement for PJs to establish new or revise existing tenant selection criteria for the HOME TBRA program. The statutory suspension and regulatory waiver are in effect through December 31, 2020, for TBRA provided in response to the COVID-19 pandemic. However, a PJ must document its criteria for selecting individuals and families to be assisted by the TBRA program.

Section II: Regulatory Waivers Available to All Participating Jurisdictions

The following regulatory waivers are available to all PJs, not just those PJs covered by a major disaster declaration under Title IV of the Stafford Act. Pursuant to the authority provided in 24 CFR 5.110, I hereby waive the HOME regulatory requirements specified below for all HOME PJs.

Citizen Participation Reasonable Notice and Opportunity to Comment

Citation:	24 CFR 91.105(c)(2) and (k) (Local governments), 24 CFR 91.115(c)(2) and (i) (States), 24 CFR 91.235(e) (Insular Areas), and 24 CFR 91.401 (Consortia)
Explanation:	The regulations at 24 CFR 91.105(c)(2) and (k) (Local governments), 24 CFR 91.115(c)(2) and (i) (States), 24 CFR 91.235(e) (Insular Areas), and 24 CFR 91.401 (Consortia) set forth the citizen participation requirements for PJs. For substantial amendments to the Consolidated Plan, the regulations require the PJ to follow its citizen participation plan to provide citizens with reasonable notice and opportunity to comment. The citizen participation plan must state how reasonable notice and opportunity to comment will be given. This waiver will permit PJs amending their plans as a result of the COVID-19 pandemic to reduce the comment period to 5 days.
Justification:	Given the unprecedented economic disruptions caused by the COVID-19 pandemic, the need for this type of assistance in communities across the country is clear. Requiring these PJs to complete the required public comment period would cause undue delays in commencing TBRA programs to address an urgent and growing need. PJs must have the ability to respond immediately to the unprecedented housing need caused by the COVID-19 pandemic.
Applicability:	This waiver applies to any approved Annual Action Plan being amended to reprogram funds to TBRA to address housing needs related to the COVID-19 pandemic.

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Rent Reasonableness

- Citations:** 24 CFR 92.209(f) and 24 CFR 92.64(a) (Insular Areas)
- Explanation:** In accordance with the HOME regulations at 24 CFR 92.209(f), a PJ must disapprove a lease if the rent is not reasonable, based on an assessment of rents charged for comparable unassisted rental units. The HOME regulations at 24 CFR 92.64(a) applies this requirement to Insular Areas. This waiver will permit PJs to provide immediate rental assistance to individuals and families seeking housing and assist individuals and families that have housing but are experiencing reduced or lost wages, without requiring an assessment of rents charged for comparable unassisted rental units.
- Justification:** Given the unprecedented need for rental assistance for individuals facing financial hardship during the pandemic, requiring PJs to conduct a rent comparison prior to providing rental assistance presents an undue administrative burden. PJs must focus on providing immediate housing for income-eligible individuals currently not in stable housing, as well as assistance to income-eligible individuals that currently have housing, but are unable to pay rent and/or utilities due to lost or reduced wages. In the latter case, some households affected by sudden economic disruptions may be occupying housing with rents that would exceed a PJ's established rent reasonableness standard. Without this waiver, those households could not be assisted with HOME TBRA.
- Applicability:** This waiver is applicable to TBRA provided to individuals and tenant households experiencing financial hardship because of a reduction or loss of income. This requirement is waived through December 31, 2020, for TBRA provided in response to the COVID-19 pandemic. PJs using this waiver authority must execute a rental assistance contract with the owner or tenant.

Eligible Tenant-based Rental Assistance Costs and Maximum TBRA Subsidy

- Citation:** 24 CFR 92.209(a) and (h) and 24 CFR 92.64(a) (Insular Areas)
- Explanation:** The HOME regulations at 24 CFR 92.209(a) state that eligible TBRA costs include rental assistance and security deposit payments made to income-eligible households. PJs can also use HOME funds to provide utility deposit assistance if such assistance is provided in conjunction with TBRA or a security deposit payment. The amount of monthly utility costs included in HOME TBRA is limited by the utility allowance established by the PJ for its TBRA program, irrespective of whether those utilities are paid by the landlord or the tenant.
- In accordance with 24 CFR 92.209(h), the maximum amount of monthly assistance a PJ may pay to, or on behalf of, a tenant, may not exceed the difference between the PJ's rent standard and 30 percent of the tenant's monthly adjusted income. The PJ must establish a minimum tenant contribution to rent, and a rent standard that is based on local market conditions or the subsidy standards under the Section 8 Housing Choice Voucher Program. The HOME regulations at 24 CFR 92.64(a) apply these requirements to Insular Areas.
- This waiver will allow PJs to pay the full cost of monthly utilities in addition to rental assistance and security deposit payments for new and existing TBRA families affected by the COVID-19 pandemic. PJs may provide up to 100 percent subsidy for rent, security deposit payments, and utility bills paid by tenants affected by a reduction or loss of income from the COVID-19 pandemic. The waiver also eliminates the need for the PJ to establish utility allowances for different types and sizes of units for its TBRA program, which eliminates a significant administrative burden.

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- Justification:** The COVID-19 pandemic has caused widespread loss or reduction of income, significantly affecting the financial stability of households, including existing TBRA families, and rendering many unable to pay rent and/or utilities. Households must be able to maintain the basic utilities required to ensure housing remains safe and sanitary. Permitting PJs to use HOME funds to pay for utilities will enable affected households to maintain decent, safe and sanitary housing, which necessarily requires electricity, water, and/or gas service during the pandemic.
- As individuals experience financial hardship, the amount of assistance required to ensure they remain housed will often exceed the PJ's payment standard. In addition, individuals may be unable to pay the PJ's minimum required tenant contribution toward rent. Requiring PJ's to establish or revise payment standards and the minimum tenant contribution to rent policies in the current emergency would be burdensome and delay the provision of TBRA in response to the pandemic.
- Applicability:** This waiver is applicable to TBRA provided to individuals or families experiencing financial hardship, including existing TBRA families that have experienced a loss or reduction in income due to the COVID-19 pandemic. This requirement is waived through December 31, 2020, for rental assistance provided in response to the COVID-19 pandemic. PJs using this waiver authority must execute a rental assistance contract with the owner or tenant for a term mutually agreed upon by all parties, but not to exceed the December 31, 2020, waiver period. The PJ may make utility payments directly to the tenant or utility company based on utility bills submitted for the assisted unit, either by mail or electronically.

Term of Rental Assistance Contract

- Citation:** 24 CFR 209(e) and 24 CFR 92.64(a) (Insular Areas)
- Explanation:** The HOME regulations at 24 CFR 209(e) state that the term of the rental assistance contract must begin on the first day of the term of the lease. For a rental assistance contract between a PJ and an owner, the term of the contract must terminate upon termination of the lease. For a rental assistance contract between a PJ and a family, the term of the contract is not required to terminate upon the termination of the lease, but no payments may be made after lease termination until the family executes a new lease. The HOME regulations at 24 CFR 92.64(a) apply these requirements to Insular Areas. This waiver eliminates the requirement that the rental assistance contract must begin on the first day of the term of lease.
- Justification:** This waiver is necessary to enable PJs to assist tenants that are currently housed, including existing TBRA households, but have experienced sudden financial hardship as a result of the COVID-19 pandemic. Because affected households already have an executed lease, it is impossible for the TBRA contract to begin on the first day of the term of the lease.
- Applicability:** This requirement is waived through December 31, 2020, for TBRA provided in response to the COVID-19 pandemic. The PJ's requirement to execute a rental assistance contract with the owner or tenant is not waived. PJs using this waiver authority must execute a rental assistance contract with the owner or tenant for a term mutually agreed upon by all parties, but not to exceed the December 31, 2020, waiver period.

Tenant Protections – Lease

Citation:	24 CFR 92.209(g) and 24 CFR 92.64(a) (Insular Areas)
Explanation:	The HOME regulations at 24 CFR 92.209(g) require that each HOME-assisted tenant have a lease that complies with the tenant protection requirements of 24 CFR 92.253(a) and (b). In accordance with 24 CFR 92.253(a), there must be a lease between the tenant and the owner of rental housing assisted with HOME TBRA. The lease must have a term of not less than one year, unless both parties mutually agree to a shorter period. The lease cannot contain any of the prohibited lease terms defined in 24 CFR 92.253(b). The HOME regulations at 24 CFR 92.64(a) apply these requirements to Insular Areas. This waiver will permit PJs to assist individuals currently housed but facing financial hardship, where an executed lease is already in place.
Justification:	During the COVID-19 pandemic, PJs may assist individuals that are already in rental units but are unable to pay rent and/or utilities due to job loss or reduced wages. These individuals already have an executed lease that may include one or more of the prohibited lease terms included in 24 CFR 92.253(b). Requiring PJs to immediately execute or amend leases creates an undue administrative burden and may disqualify some in-place tenants from receiving TBRA.
Applicability:	In response to the COVID-19 pandemic, the requirement that a tenant assisted by TBRA have a lease that complies with the requirements of 24 CFR 92.253(a) and (b) is waived through December 31, 2020, for rental assistance provided to tenants already housed who have an executed lease. PJs using this waiver authority are required to execute a rental assistance contract with the tenant for a term mutually agreed upon by all parties, but not to exceed the waiver period ending on December 31, 2020. PJs must still comply with all VAWA requirements contained in 24 CFR 92.359 by including, at a minimum, a lease addendum that addresses all VAWA requirements.

Housing Quality Standards

Citation:	24 CFR 92.209(i) and 24 CFR 92.64(a) (Insular Areas)
Explanation:	The HOME regulations at 24 CFR 92.209(i) require that all housing occupied by households receiving HOME TBRA must meet the housing quality standards (HQS) at 24 CFR 982.401. The PJ is required to inspect the unit for compliance prior to occupancy and annually thereafter. The HOME regulations at 24 CFR 92.64(a) apply these requirements to Insular Areas. This waiver will permit the PJ to rapidly house or assist individuals affected by the COVID-19 pandemic without requiring an initial HQS inspection.
Justification:	The COVID-19 pandemic has created an unprecedented need for rental assistance for tenant households facing financial hardship. PJs must act quickly to address these needs and requiring HQS inspections of all units where HOME TBRA assistance is provided would create an administrative burden and reduce PJs' ability to respond timely to the housing needs created by the pandemic. In addition, requiring initial HQS inspections would increase housing inspectors' risk of contracting or spreading the COVID-19 virus.
Applicability:	This waiver is applicable to TBRA provided to tenant households experiencing financial hardship. This requirement is waived through December 31, 2020, for rental assistance provided in response to the COVID-19 pandemic. The lead-safe housing requirements of 24 CFR part 35, subpart M, made applicable to units leased by recipients of HOME TBRA by the HOME

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regulation at 24 CFR 92.355, cannot be waived. Consequently, units built before 1978 must undergo visual evaluation and paint repair in accordance with 24 CFR Part 35, subpart M. PJs using this waiver authority must establish procedures to minimize the risk that tenants are in housing that does not meet HQS, as well as procedures for conducting physical inspections within 120 days following the end of the December 31, 2020, waiver period.

Annual Inspection of Units Occupied by Recipients of HOME TBRA

Citation:	24 CFR 92.504(d)(1)(iii); 24 CFR 92.209(i) and 24 CFR 92.64(a) (Insular Areas)
Explanation:	Provisions require PJs to annually inspect each unit occupied by a recipient of HOME TBRA.
Justification:	Waiving the requirement that these annual inspections be performed according to schedule will protect the health of both inspectors and tenants by observing physical distancing recommendations to limit the spread of COVID-19.
Applicability:	The waiver applies to annual HQS re-inspections required to occur from the date of this memo through December 31, 2020. Within 120 days of the end of this waiver period, PJs must physically inspect units that would have been subject to HQS inspections during the waiver period.

Income Determinations

Citations:	24 CFR 92.203(a)(2) and 24 CFR 92.64(a) (Insular Areas) The HOME regulations at 24 CFR 92.203(a)(2) require the PJ to determine a TBRA tenant's annual income by examining at least 2 months of source documentation evidencing income and projecting anticipated income forward for the next 12 months. The HOME regulations at 24 CFR 92.64(a) apply these requirements to Insular Areas. This waiver will permit PJs to follow the regulations at 24 CFR 92.203(a)(1)(ii) in lieu of requiring a review of source documentation. The HOME regulations at 24 CFR 92.203(a)(1)(ii) allow the PJ to obtain a written statement of the amount of the family's anticipated annual income and household size, along with a certification that the information is complete and accurate.
Justification:	Given the rapid and unanticipated economic disruptions caused by the COVID-19 pandemic, source documentation from the past two months may not reflect the current financial circumstances of many households. Requiring PJs to determine an individual's annual income using source documentation would be administratively burdensome, may not reflect current or anticipated income, and may result in individuals or families being incorrectly disqualified from receiving TBRA.
Applicability:	This waiver is applicable to TBRA provided to individuals or families experiencing financial hardship. This requirement is waived through December 31, 2020, for rental assistance provided in response to the COVID-19 pandemic. The PJ must ensure that the tenant's self-certification indicates how the tenant's financial situation has changed, (i.e., job loss or reduced wages), and includes all income, including any unemployment or emergency benefits received by the tenant as a result of the pandemic. However, for purposes of a tenant's self-certification, emergency tax relief (commonly referred to as stimulus payments) should not be included as an emergency benefit. The PJ must include tenant income certifications in each project file.

[Suspensions and Waivers to Facilitate Use of HOME-Assisted TBRA for Emergency and Short-term Assistance in Response to COVID-19 Pandemic](#)

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HOME Investment Partnerships Program FAQs

These frequently asked questions (FAQs) provide guidance on Section 4024 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act which imposes a temporary moratorium on evictions.

View [HOME Investment Partnerships Program \(HOME\) Frequently Asked Questions \(FAQs\)](#) on the [HOME landing page](#).

In addition, these documents contain HOME FAQs organized by topic.

[HOME FAQs - All](#)

[HOME FAQs - Broadband Infrastructure](#)

[HOME FAQs - Community Housing Development Organization](#)

[HOME FAQs - COVID-19 & CARES Act](#)

[HOME FAQs - Cross Cutting Requirements](#)

[HOME FAQs - Homebuyer Housing](#)

[HOME FAQs - Homeowner Rehabilitation](#)

[HOME FAQs - Planning and Coordination](#)

[HOME FAQs - Program Requirements](#)

[HOME FAQs - Rental Housing](#)

[HOME FAQs - Tenant-based Rental Assistance](#)

[HOME FAQs - Underwriting and Project Selection](#)

<https://www.hudexchange.info/onecpd/assets/File/HOME-FAQs-COVID-19.pdf>

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

SUMMARY:

- [HOPWA Guidance for COVID-19](#) can be found [here](#).
- \$65 million appropriation, of which:
 - Not less than \$50 million for formula grants (using same data elements as 2020 formula);
 - Up to \$10 million for competitive grants (for existing grantees providing permanent supportive housing, in proportionate share to existing grants; not required to spend funds on permanent supportive housing); and
 - Up to 2 percent for technical assistance (via increase to prior awards of existing technical assistance providers)
- the authority to provide housing assistance payments for rent, mortgage, utilities for up to 24 months;
- the authority to use funds to self-isolate, quarantine, or provide other CDC-recommended infection control services for household members not living with HIV/AIDS;
- the authority to use funds to provide relocation services (including lodging at hotels, motels, or other locations) for persons living with HIV/AIDS and household members not living with HIV/AIDS

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HOPWA (Housing Opportunities for Persons with AIDS) Mega Waiver

Self-Certification of Income and Credible Information on HIV Status

Requirement:	Source Documentation for Income and HIV Status Determinations.
Citation:	24 CFR 574.530, Recordkeeping
Explanation:	Each grantee must maintain records to document compliance with HOPWA requirements, which includes determining the eligibility of a family to receive HOPWA assistance.
Justification:	This waiver will permit HOPWA grantees and project sponsors to rely upon a family member's self-certification of income and credible information on their HIV status (such as knowledge of their HIV-related medical care) in lieu of source documentation to determine eligibility for HOPWA assistance of families and grantees affected by COVID-19.
Applicability:	Eligibility is restricted to a low-income person who is living with HIV/AIDS and the family of such person. This waiver is in effect for recipients who require written certification of the household seeking assistance of their HIV status and income, and agree to obtain source documentation of HIV status and income eligibility within 3 months of public health officials determining no additional special measures are necessary to prevent the spread of COVID-19.

FMR Rent Standard

Requirement:	Rent Standard for HOPWA Rental Assistance
Citation:	24 CFR 574.320(a)(2), Rent Standard
Explanation:	Grantees must establish rent standards for their rental assistance programs based on FMR (Fair Market Rent) or the HUD-approved community-wide exception rent for unit size. Generally, the rental assistance payment may not exceed the difference between the rent standard and 30 percent of the family's adjusted income.
Justification:	<p>This waiver of the FMR rent standard limit permits HOPWA grantees to establish rent standards, by unit size, that are reasonable, and based upon rents being charged for comparable unassisted units in the area, taking into account the location, size, type, quality, amenities, facilities, management and maintenance of each unit. Grantees, however, are required to ensure the reasonableness of rent charged for a unit in accordance with §574.320(a)(3).</p> <p>This waiver is required to expedite efforts to identify suitable housing units for rent to HOPWA beneficiaries and HOPWA-eligible families that have been affected by COVID-19, and to provide assistance to families that must rent units at rates that exceed the HOPWA grantee's normal rent standard as calculated in accordance with §574.320(a)(2).</p>
Applicability:	Such rent standards may be used for up to one year beginning on the date of this memorandum may be used for up to one year beginning on the date of this memorandum.

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Property Standards for HOPWA

Requirement:	Property Standards for HOPWA
Citation:	24 CFR 574.310(b), Housing Quality Standards
Explanation:	This section of the HOPWA regulations provides that all housing assisted with acquisition, rehabilitation, conversion, lease, or repair; new construction of single room occupancy dwellings and community residences; project or tenant-based rental assistance; or operating costs must meet the applicable housing quality standards outlined in the regulations.
Justification:	This waiver is required to enable grantees and project sponsors to expeditiously meet the critical housing needs of the many eligible families that have been affected by COVID-19 while also minimizing the spread of coronavirus.
Applicability:	This waiver is in effect for one year beginning on the date of this memorandum for grantees and project sponsors that are able to meet the following criteria: <ul style="list-style-type: none">a. The grantee or project sponsor is able to visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided; andb. The grantee or project sponsor has written policies to physically reinspect the unit after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

Property Standards for TBRA

Requirement:	Property Standards for Tenant-Based Rental Assistance (TBRA)
Citation:	24 CFR 574.310(b), Housing Quality Standards
Explanation:	This section of the HOPWA regulations provides that units occupied by recipients of HOPWA TBRA meet the Housing Quality Standards (HQS) established in this section.
Justification:	This waiver is required to enable grantees and project sponsors to expeditiously meet the critical housing needs of the many eligible families that have been affected by COVID-19 while also minimizing the spread of the coronavirus.
Applicability:	This waiver is in effect for one year beginning on the date of this memorandum for recipients and project sponsors that are able to meet the following criteria: <ul style="list-style-type: none">a. The recipient or project sponsor is able to visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided; andb. The recipient or subrecipient has written policies to physically re-inspect the unit after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

Space and Security

Requirement:	Adequate Space and Security.
Citation:	24 CFR 574.310(b)(2)(iii), Space and security
Explanation:	This section of the HOPWA regulations provide that each resident must be afforded adequate space and security for themselves and their belongings.
Justification:	This waiver is required to enable grantees and project sponsors operating housing facilities and shared housing arrangements the flexibility to use optional appropriate spaces for quarantine services of eligible households affected by COVID-19. Optional spaces may include the placement of families in a hotel/motel room where family members may be required to utilize the same space not allowing for adequate space and security for themselves and their belongings.
Applicability:	This space and security requirement is waived for grantees addressing appropriate quarantine space for affected eligible households during the allotted quarantined time frame recommended by local health care professionals.

Time Limits for Short-Term Housing Facilities and Short-Term Rent, Mortgage, and Utility Payments

Requirement:	Time Limits for Short-Term Supported Housing
Citation:	24 CFR 574.330(a)(1), Time Limits
Explanation:	A short-term supported housing facility may not provide residence to any individual for more than 60 days during any six-month period. Short-Term Rent, Mortgage, and Utility (STRMU) payments to prevent the homelessness of the tenant or mortgagor of a dwelling may not be provided for costs accruing over a period of more than 21 weeks in any 52-week period.
Justification:	This waiver is required to prevent homelessness or discharge to unstable housing situations for households residing in short-term housing facilities or units assisted with STRMU if permanent housing cannot be achieved within the time limits specified in the regulation.
Applicability:	On an individual household basis, grantees or project sponsors may assist eligible households for a period that exceeds the time limits specified in the regulations. A short-term supported housing facility may provide residence to any individual for a period of up to 120 days in a six-month period. STRMU payments to prevent the homelessness of the tenant or mortgagor of a dwelling may be provided for costs accruing up to 52 weeks in a 52-week period.

This waiver is in effect for one year beginning on the date of this memorandum for grantees and project sponsors that are able to meet the following criteria:

- a. The grantee or project sponsor documents that a good faith effort has been made on an individual household basis to assist the household to achieve permanent housing within the time limits specified in the regulations but that financial needs and/or health and safety concerns have prevented the household from doing so; and

- b. The grantee or project sponsor has written policies and procedures outlining efforts to regularly reassess the needs of assisted households as well as processes for granting extensions based on documented financial needs and/or health and safety concerns.

[Availability of Waivers of Community Planning and Development \(CPD\) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19](#)

[Availability of Additional Waivers for Community Planning and Development \(CPD\) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 \(May 22, 2020\)](#)

[HUD COVID-19 Resources and Fact Sheets](#)

HOPWA Program Flexibilities

CARES Act Instructions and Related Flexibilities for HOPWA

The purpose of this [Notice](#) is to provide instructions for implementing the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, provisions to the Housing Opportunities for Persons With AIDS (HOPWA) program, and provide additional information for HOPWA grantees and project sponsors related to coronavirus disease 2019 (COVID-19) response.

The CARES Act includes \$65 million in supplemental grant funding for the HOPWA program that the Department will distribute in the following manner:

- \$53.7 million will be allocated to formula grantees using the same data elements from the statutory allocation formula (42 U.S.C. § 12903) used to determine FY 2020 HOPWA formula allocations.
- \$10 million in additional one-time, non-renewable funding will be allocated to HOPWA permanent supportive housing competitive grantees that were initially funded with appropriated funds from FY 2010 or earlier and are currently administering grant awards. The supplemental grant funding will be allocated to such competitive renewal grantees in a manner proportionate to their existing grants.
- \$1.3 million in funding will be awarded, without competition, to increase prior awards made to existing HOPWA technical assistance (TA) providers. The purpose of the TA funding is to provide an immediate increase in capacity building and TA available to grantees.

Eligible Activities

A. General

The supplemental grant funds authorized under the CARES Act are to be used as additional funding to maintain operations, and for rental assistance, supportive services, and other necessary actions, in order to prevent, prepare for, and respond to COVID-19.

These funds may be used to provide the eligible HOPWA activities identified at 24 CFR Part 574, so long as these funds are used for activities that are consistent with grantees' community needs for COVID-19 preparedness and response, as discussed more fully below. In order to protect persons living with HIV/AIDS, the CARES Act provides

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that the supplemental grant funds may be used to self-isolate, quarantine, or provide other coronavirus infection control services as recommended by the Centers for Disease Control and Prevention for household members not living with HIV/AIDS.

Grantees may consider using the supplemental grant funds authorized under the CARES Act for activities such as:

- Stays at hotels, motels, or other locations to self-isolate, quarantine, or provide other infection control for HOPWA-eligible individuals or their family members (See Section III.D);
- Providing transportation services for eligible households to access medical care, supplies, and food or to commute to places of employment;
- Assisting HOPWA-eligible households in accessing essential services and supplies such as food, medications, medical care, personal protective equipment (PPE) and information;
- Providing nutrition services for eligible households in the form of food banks, groceries, and meal deliveries;
- Educating assisted households on ways to reduce the risk of contracting or spreading COVID-19 to others; and
- Costs related to infection control measures such as cleaning and disinfectant supplies, gloves, PPE, and other safety-related supplies for staff and assisted households.

As provided by the CARES Act, these supplemental funds may be used to cover or reimburse allowable costs as of the date a grantee or project sponsor began preparing for coronavirus, which HUD shall presume to be no earlier than January 21, 2020 – the date the first confirmed case was reported in the United States according to the Centers for Disease Control and Prevention (CDC). Grantees and project sponsors must maintain documentation demonstrating when they began preparing for COVID-19, such as notes on formal planning meetings or calls, and must maintain documentation to support any costs incurred by the recipient that the recipient plans to cover or reimburse with CARES Act grant funding.

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), prohibits the duplication of benefits for programs that provide financial assistance to people or entities suffering losses as a result of a Federally-declared disaster or emergency. The duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs. HOPWA grantees must establish and maintain adequate procedures to prevent any duplication of benefits with CARES Act funds. HUD will issue additional guidance to facilitate compliance with this requirement.

B. Administrative Costs

The CARES Act provides that a grantee may use up to six (6) percent of the supplemental grant funding received under the CARES Act for administrative purposes, and a project sponsor may use up to ten (10) percent of its subaward under the CARES Act for administrative purposes. The administrative cost limits for grantees and project sponsors specified in the CARES Act are only applicable to the supplemental grant funds received under the CARES Act and to any portion of a grantee's FY 2020 formula funds that have been approved under its Annual Action Plan (AAP) for allowable activities to prevent, prepare for, and respond to the COVID-19 pandemic as described in section V of this Notice. All other HOPWA awards remain subject to 42 U.S.C. § 12905(g), which limits costs for administrative expenses to three (3) percent of the grant amount for grantees and seven (7) percent of the amount received by project sponsors.

C. Short-Term Rent, Mortgage, and Utility Assistance

The CARES Act provides that the supplemental grant funding may be used to provide short-term rent, mortgage, and utility (STRMU) assistance payments to prevent homelessness of a tenant or mortgagor of a dwelling for a period of up to 24 months. The 24-month limit on STRMU assistance specified by the CARES Act is only applicable to the supplemental grant funds received under the CARES Act and any portion of a grantee's FY 2020 formula funds that have been approved under its Annual Action Plan (AAP) for allowable activities to prevent, prepare for, and respond to the COVID-19 pandemic as described in section V of this Notice. STRMU assistance provided under all other HOPWA awards remains subject to 42 U.S.C. § 12907(b)(3)(B), which limits STRMU assistance to a period of no more than 21 weeks of any 52-week period.

Although the CARES Act increases the term limit on STRMU assistance in 42 U.S.C. § 12907(b)(3)(B) to 24 months, the other provisions related to STRMU in § 12907 remain unchanged and in effect for the supplemental grant funds received under the CARES Act. This includes the provisions that assistance with rent, mortgage, and utility payments be provided in a manner appropriate to maintain the assisted household in their residence; and that each assisted household be provided the opportunity to receive case management services from appropriate social service agencies (see 42 U.S.C. § 12907(b)(5) and (6)).

D. Hotel/Motel Stays

The supplemental grant funding provided under the CARES Act and any portion of a grantee's FY 2020 formula funds that have been approved under its Annual Action Plan (AAP) for allowable activities to prevent, prepare for, and respond to the COVID-19 pandemic as described in section V of this Notice may be used to pay for relocation services including lodging at hotels, motels, or other locations for eligible persons living with HIV/AIDS as well as household members who are not living with HIV/AIDS. Such funding may also be used to lodge one or more household members who may need to temporarily isolate from other members of the household. Members of households that currently reside in HOPWA-subsidized units are not precluded from receiving additional assistance for hotel/motel stays if isolation is needed.

HUD recommends that grantees and project sponsors limit hotel/motel stays to no more than 60 days in a six-month period, with exceptions related to COVID-19 related health and safety concerns. Grantees should ensure they have policies in place regarding hotel/motel stays that detail time limits as well as processes for granting extensions based on documented household health and safety concerns in accordance with CDC guidance, if needed.

Using HOPWA Program Funds for Infectious Disease Preparedness and Response

This resource below describes how Housing Opportunities for Persons With AIDS (HOPWA) grantees and project sponsors may use HOPWA funds to prepare for and respond to infectious diseases such as the coronavirus disease 2019 (COVID-19).

[Using HOPWA Program Funds for Infectious Disease Preparedness and Response](#)

Formula Grant Agreement Execution

Formula grantees will sign a grant agreement in order to accept the supplemental grant funds from HUD. Each Field Office will inform their respective grantees of the process for executing the grant agreement.

Consolidated Plan Amendments for Formula Grantees

HUD is waiving 24 CFR 91.505(c) -Amendments to the Consolidated Plan- to the extent necessary to require submission of the substantial amendment to HUD for review in accordance with this Notice. To receive its supplemental CARES Act grant allocation, a grantee must submit to HUD for review a signed standard federal form SF-424, SF-424D, the certifications at 24 CFR 91.225(a) and (e) or 24 CFR 91.325(a) and (e), and a substantial FY 2019 Action Plan amendment meeting the requirements of 24 CFR part 91 and this Notice. HUD recommends that the substantial amendment and other required documents be received by HUD within 15 business days of publication of this Notice.

HUD has waived 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) to the extent necessary to allow the grantee to provide no fewer than 5 calendar days for citizen comment (rather than 30 days) for its consolidated plan substantial amendment (see Section XII of this Notice). Grantees should post the approved substantial amendment on its official website along with a summary of citizen comments received within the comment period.

Each substantial amendment submitted to HUD will be subject to the review process set forth in 24 CFR 91.500. HUD intends to expedite its review.

If the substantial amendment is not disapproved, both HUD and the grantee will sign the grant agreement and then HUD will establish the grantee's line of credit in the amount of funds included in the FY 2019 Action Plan substantial amendment, up to the allocation amount.

HUD is exercising its authority under the CARES Act to allow HOPWA formula grantees to use a portion of their FY 2020 allocations on allowable activities to prevent, prepare for, and respond to COVID-19, including the provision of PPE, provided such activities are identified and approved in their FY 2020 AAPs and that all CARES Act funding has been expended. Grantees with previously approved FY 2020 AAPs that are interested in using a portion of their FY 2020 formula funds to prevent, prepare for, and respond to COVID-19 may amend such AAPs and resubmit for approval. All FY 2020 formula funds used for COVID-19 response will receive the same benefits and flexibilities as the CARES Act funding described in sections III.B, III.C, and III.D of this Notice.

Competitive Grant Agreement Execution

Competitive grantees will sign a grant agreement in order to accept the supplemental grant funds from HUD. Within 15 business days of the publication of this Notice, each competitive grantee is expected to submit a brief description of planned uses for the supplemental grant funds to the Office of HIV/AIDS Housing (OHH) at HUD headquarters via the HOPWA email box at HOPWA@HUD.gov.

This brief description should list the type and amount of each eligible activity the grantee anticipates undertaking with the funding, the process that will take place to carry out the work quickly, and how eligible households will access the assistance during any period of time the grantee's main operations are closed due to local public health department directive. Each grantee must also include a completed HOPWA budget form HUD-40110-B and completed forms SF-424 and SF-424D in its submission.

HUD will review the descriptive packages in accordance with the following process:

- HUD will expedite its approval or disapproval of the descriptive packages;
- HUD recommends that jurisdictions with disapproved descriptions revise and resubmit within 15 business days after HUD sends the first notification of its disapproval; and

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- HUD will expedite its approval or disapproval of the revised descriptions after receiving the resubmission.

OHH will forward approved submissions to respective field offices and inform field offices when the grant agreement may move forward for execution. Local HUD field offices will inform their respective grantees of the process for executing the grant agreement after the grantee description is submitted, reviewed, and approved by OHH.

Expectations for Competitive Grantees

Competitive grantees are expected to continue implementing their current grant as approved. The supplemental grant funding provided under the CARES Act is not required to be spent on permanent supportive housing activities, but rather can be used for eligible activities under 24 CFR part 574, in accordance with the CARES Act and as set forth in section III.A of this Notice that are necessary actions in order to prevent, prepare for, and respond to COVID-19.

Project Sponsor Agreements

Grantees are expected to execute new or amend existing project sponsor agreements for the supplemental funds within fourteen calendar (14) days of execution of the formula or competitive grant agreements. The selection of project sponsors under the HOPWA program is not subject to the procurement requirements of 2 CFR part 200, subpart D (see 24 CFR 574.3).

Technical Assistance

The TA funding provided under the CARES Act will be used for the development of webinars, resource guides, and other TA materials to assist grantees in administering the supplemental grant funds and implementing activities related to COVID-19 preparedness and response. Grantees in need of individualized TA related to responding to COVID-19 or regular HOPWA program administration should submit a TA request via the "Request Program Assistance" webpage on the HUD Exchange portal: <https://www.hudexchange.info/program-support/technical-assistance/>. In the TA request submission process select "HOPWA: Housing Opportunities for Persons With AIDS" as the topic and write "Health Preparedness and Response" in the subject line.

Reporting

HOPWA grantees that accept the supplemental grant funding authorized under the CARES Act will be required to report on the activities undertaken with such funding. Consistent with 24 CFR 574.520, grantees will report information to HUD on the use of the supplemental grant funds, including the number of individuals assisted and the types of assistance provided. This information will be reported in the HOPWA Consolidated Annual Performance and Evaluation Report (Form HUD-40110-D) for formula grantees or HOPWA Annual Progress Report (Form HUD-40110-C) for competitive grantees, or similar combined data collection instrument to be specified by HUD.

24 CFR 91.520 requires HOPWA formula grantees to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD within 90 days after the close of the grantee's program year. The HOPWA Grant Agreement requires competitive grantees to submit an Annual Progress Report (APR) in accordance with 24 CFR 574.520(b) within 90 days of the end of each 12-month operating period. Any HOPWA grantee with a CAPER or APR due to HUD within six months of the date of this Notice may have up to a 90-day extension to submit their reports. The extension will allow a grantee to submit their APR or CAPER within 180 days of the end of their program or operating year. Grantees that wish to utilize the extension should submit an email to HOPWA@hud.gov and notify the grantee's local HUD Field Office.

Additional CARES Act Reporting

Section 15011 of the CARES Act requires that recipients of \$150,000 or more of CARES Act funding submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding the amount of funds received; the amount of funds obligated or expended for each project or activity; a detailed list of all such projects or activities, including a description of the project or activity; and detailed information on any subcontracts or subgrants awarded by the recipient. As outlined in the Office of Management and Budget (OMB) memorandum, M20-21, existing reporting requirements are anticipated to meet the requirements of Section 15011, but the content and format for this reporting is still under development and will need to be reviewed against current program practices. The Department will work in coordination with OMB to ensure that this requirement can be fulfilled by recipients of CARES Act funding in a manner that utilizes to the greatest extent possible existing reporting streams, providing the necessary transparency and accountability with minimal additional burden. If additional reporting is necessary, further guidance will be released by the Department in the near future.

Waivers

HUD issued a memorandum providing regulatory waivers of certain HOPWA and other CPD program requirements to prevent the spread of COVID-19 and provide additional supports to eligible individuals and families who are economically impacted by COVID-19. The memorandum is available online at:

[https://www.hud.gov/sites/dfiles/CPD/documents/COVID-19 Mega Waiver 03-31-2020.pdf](https://www.hud.gov/sites/dfiles/CPD/documents/COVID-19%20Mega%20Waiver%2003-31-2020.pdf).

The memorandum includes a simplified notification process for grantees to use the waiver flexibility to expedite the delivery of assistance. Grantees wishing to utilize any of the waivers provided in the memorandum should notify their local CPD Director, by email to their COVID-19 specific email address, of their intent to utilize a specific waiver flexibility two days before they anticipate using the waiver flexibility.

Additionally, it is expected that the Department will issue further waivers addressing identified needs by grantees and guidance on the administrative flexibilities provided under Office of Management and Budget (OMB) Memo M-20-17. These waivers will be made available online at: [https://www.hud.gov/program_offices/comm_planning/hopwa covid-19](https://www.hud.gov/program_offices/comm_planning/hopwa_covid-19).

Regulatory waiver flexibilities offered by HUD specific to the use of amounts in the HOPWA program in response to the COVID-19 pandemic may be deemed effective as of the date a grantee began preparing for coronavirus, which HUD shall presume to be no earlier than January 21, 2020 – the date the first confirmed case was reported in the United States according to the CDC. Grantees and project sponsors must maintain documentation demonstrating when the recipient began preparing for COVID-19, such as notes on formal planning meetings or calls, and must maintain documentation to support any costs incurred by the recipient that the recipient plans to cover or reimburse with CARES Act grant funding.

[Flexibilities and Plan Amendment Waiver for HOPWA Funds Used to Support Coronavirus Response All Grantees of ESG-CV, ESG Grants \(FY 2020 and older\), and HOPWA-CV and All CPD Field Office Directors](#)

Materials Posted: Infectious Disease Preparedness Guidance for Homeless Assistance Providers
HUD posted the following Centers for Disease Control and Prevention (CDC) guidance and Technical Assistance (TA) materials on the [HUD Exchange Disease Risks and Homelessness Page](#):

- [CDC: Interim Guidance for Homeless Service Providers to Plan and Respond to Coronavirus Disease 2019 \(COVID-19\)](#)
- [Questions to Assist CoCs and Public Health Authorities to Limit the Spread of Infectious Disease in Homeless Programs](#)
- [Specific Considerations for Public Health Authorities to Limit Infection Risk Among People Experiencing Homelessness](#)
- [Eligible ESG costs for Infectious Disease Preparedness](#)

Families and individuals experiencing homelessness are more vulnerable to infectious diseases due to lack of access to primary care, mobility, and poor health status from extended episodes of homelessness. HUD strongly encourages Continuums of Care (CoCs) to contact local public health departments, Healthcare for the Homeless agencies, and other local health partners to ensure the unique needs and opportunities related to the homeless service system are incorporated. CoCs can take steps now to develop preparedness and response plans to protect against infection.

Further Information

All questions related to this Notice should be directed to the "HOPWA Ask A Question" portal available online at <https://www.hudexchange.info/program-support/my-question/>. In Step 2 of the question submission process, select "HOPWA: Housing Opportunities for Persons With AIDS" from the "My question is related to" drop down list and write "Health Preparedness and Response" in the subject line.

CONTINUUM OF CARE PROGRAM (CoC)

CoC – Mega Waiver

Fair Market Rent for Individual Units and Leasing Costs

Requirement:	Rent payments for individual units with leasing dollars may not exceed Fair Market Rent (FMR).
Citation:	24 CFR 578.49(b)(2)
Explanation:	The CoC Program regulation at 24 CFR 578.49(b)(2) prohibits a recipient from using grant funds for leasing to pay above FMR when leasing individual units, even if the rent is reasonable when compared to other similar, unassisted units.
Justification:	Waiving the limit on using grant leasing funds to pay above FMR for individual units above FMR, but not greater than the reasonable rent will assist recipients in locating additional units to house individuals and families experiencing homelessness and reduce the spread and harm of COVID-19.
Applicability:	The FMR restriction is waived for any lease executed by a recipient or subrecipient to provide transitional or permanent supportive housing during the 6-month period beginning on the date of this memorandum. The affected recipient or subrecipient must still ensure that rent paid for individual units that are leased with CoC Program leasing dollars meet the rent reasonableness standard in 24 CFR 578.49(b)(2).

Disability Documentation for Permanent Supportive Housing (PSH)

Requirement:	A recipient providing PSH must serve individual and families where one member of the household has a qualifying disability (for dedicated projects and DedicatedPlus projects that individual must be the head of household). Further, the recipient must document a qualifying disability of one of the household members. When documentation of disability is the intake worker's observation, the regulation requires the recipient to obtain additional confirming evidence within 45 days.
Citation:	24 CFR 578.103(a) and 24 CFR 578.103(a)(4)(i)(B)
Explanation:	24 CFR 578.103(a) requires recipients to maintain records providing evidence they met program requirements and 24 CFR 578.103(a)(4)(i)(B) establishes the requirements for documenting disability for individuals and families that meet the "chronically homeless" definition in 24 CFR 578.3. Acceptable evidence of disability includes intake-staff recorded observations of disability that, no later than 45 days from the application for assistance, is confirmed and accompanied by evidence in paragraphs 24 CFR 578.103(a)(4)(i)(B)(1), (2), (3), or (5). HUD is waiving the requirement to obtain additional evidence.
Justification:	Waiving 24 CFR 578.103(a)(4)(i)(B)(4) as specified below will allow recipients to house people by relying on intake staff-recorded observation of disability while providing recipients' intake staff with additional time to confirm the disability. This will help households with observed

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disabilities to be housed quickly and obtain the necessary documentation once healthcare workers are no longer inundated by COVID-19 responses.

Applicability: The requirement that intake staff-recorded observation of disability be confirmed and accompanied by other evidence no later than 45 days from the application for assistance documentation requirement is waived for any program participants admitted into PSH funded by the CoC Program for the 6-month period beginning on the date of this memorandum.

Note: For the purposes of individuals and families housed in PSH from the date of this memorandum until public health officials determine no additional special measures are necessary to prevent the spread of COVID-19, a written certification by the individual seeking assistance that they have a qualifying disability is considered acceptable documentation approved by HUD under 24 CFR 578.103(a)(4)(i)(B)(5).

Limit on Eligible Housing Search and Counseling Services

Requirement: With respect to program participant's debts, 24 CFR 578.53(ed)(8)(ii)(B) only allows the costs of credit counseling, accessing a free personal credit report, and resolving personal credit issues. 24 CFR 578.53(d) limits the use of CoC Program funds for providing services to only those costs listed in the interim rule.

Citation: 24 CFR 578.53(e)(8)(ii)(B) and 578.53(d)

Explanation: 24 CFR 578.53(e)(8) allows recipients and subrecipients to use CoC funds to pay for housing search and counseling services to help eligible program participants locate, obtain, and retain suitable housing. For program participants whose debt problems make it difficult to obtain housing,

24 CFR 578.53(e)(8)(ii)(B) makes eligible the costs of credit counseling, accessing a free personal credit report, and resolving personal credit issues. However, payment of rental or utility arrears is not included as an eligible cost. 24 CFR 578.53(d) limits eligible supportive service costs to those explicitly listed in 24 CFR 578.53(e), which is a more limited list than is eligible under the McKinney-Vento Act.

Justification: Waiving the limitation of housing search and counseling eligible activities to allow recipients and subrecipients to pay for up to 6 months of rental arrears and 6 months of utility arrears will help recipients and subrecipients remove barriers to obtaining housing quickly and help reduce the spread and harm of COVID-19.

Applicability: The limitation on eligible housing search and counseling activities is waived so that CoC Program funds may be used for up to 6 months of a program participant's utility arrears and up to 6 months of program participant's rent arrears, when those arrears make it difficult to obtain housing. This waiver is in effect one-year beginning on the date of this memorandum.

Permanent Housing-Rapid Re-housing Monthly Case Management

Requirement: Recipients must require program participants of permanent housing – rapid rehousing projects to meet with a case manager at least monthly.

Citation: 24 CFR 578.37(a)(1)(ii)(F)

Explanation:	The CoC Program interim rule at 24 CFR 578.37(a)(1)(ii)(F) requires program participants to meet with a case manager not less than once per month to assist them in ensuring long-term housing stability. The project is exempt from this requirement already if the Violence Against Women Act of 1994 (42 U.S.C. 13925 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.
Justification:	HUD originally waived this requirement for 2-months beginning March 31, 2020. Recipients are continuing to report limited staff capacity as staff members are home for a variety of reasons related to COVID-19 (e.g., quarantining, children home from school, working elsewhere in the community to manage the COVID-19 response). In addition, not all program participants have capacity to meet via phone or internet. Waiving the monthly case management requirement as specified below will allow recipients to provide case management on an as-needed basis and reduce the possible spread and harm of COVID-19.
Applicability:	This requirement in 24 CFR 578.37(a)(1)(ii)(F) that projects require program participants to meet with case managers not less than once per month is waived for all permanent housing- rapid re-housing projects for an additional three months beginning on the date of this memorandum.

Housing Quality Standards (HQS) – Initial Physical Inspection of Unit

Requirement:	Recipients are required to physically inspect any unit supported with leasing or rental assistance funds to assure that the unit meets housing quality standards (HQS) before any assistance will be provided on behalf of a program participant.
Citation:	24 CFR 578.75(b)(1)
Explanation:	24 CFR 578.75(b)(1) requires that recipients or subrecipients physically inspect each unit to assure that it meets HQS before any assistance will be provided for that unit on behalf of a program participant.
Justification:	Waiving the physical initial inspection requirement 24 CFR 578.75(b)(1) as specified below will allow recipients to help prevent the spread of COVID-19.
Applicability:	This waiver of the requirement in 24 CFR 578.75(b)(1) that the recipient or subrecipient physically inspect each unit to assure that the unit meets HQS before providing assistance on behalf of a program participant is in effect for 6-months beginning on the date of this memorandum for recipients and subrecipients that are able to meet the following criteria: <ul style="list-style-type: none"> a. The recipient is able to visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided; and b. The recipient or subrecipient has written policies to physically re-inspect the unit within 3 months after the health officials determine special measures to prevent the spread of COVID-19 are no longer necessary.

HQS – Re-Inspection of Units

Requirement:	Recipients or subrecipients must inspect all units for which leasing or rental assistance funds are used, at least annually to ensure they continue to meet HQS.
Citation:	24 CFR 578.75(b)(2)

- Explanation:** 24 CFR 578.75(b)(2) requires that recipients or subrecipients are required to inspect all units supported by leasing or rental assistance funding under the CoC Program at least annually during the grant period to ensure the units continue to meet HQS.
- Justification:** Waiving the annual re-inspection 24 CFR 578.75(b)(2) requirement during this public health crisis as specified below will help allow recipients to prevent the spread of COVID-19.
- Applicability:** This requirement in 24 CFR 578(b)(2) is waived for 1-year beginning on the date of this memorandum.

One-Year Lease Requirement

- Requirement:** Program participants residing in PSH must be the tenant on a lease for a term of at least one year that is renewable and terminable for cause.
- Citation:** 24 CFR 578.3, definition of permanent housing, 24 CFR 578.51(l)(1)
- Explanation:** The CoC Program regulation at 24 CFR 578.3, definition of permanent housing, and 24 CFR 578.51(l)(1) requires program participants residing in permanent housing to be the tenant on a lease for a term of one year that is renewable and terminable for cause.
- Justification:** Waiving the one-year lease requirement as specified below will allow recipients to more quickly identify permanent housing for individuals and families experiencing homelessness, which is helpful in preventing the spread of COVID-19.
- Applicability:** The one-year lease requirement is waived for six-months beginning on the date of this memorandum, so long as the initial lease term of all leases is for more than one month.

YHDP - Permanent Housing Rapid Re-housing Limit to 24 Months of Rental Assistance

To the extent Youth Homelessness Demonstration Program (YHDP) grants are subject to the same requirements in 24 CFR part 578 that apply to grants provided under the CoC Program, the same waivers made available on March 31, 2020 for grants provided under the CoC Program are made available to YHDP grants for the same justifications and subject to the same conditions. Additionally, the following waivers are available to CoC Program and YHDP recipients.

Permanent Housing Rapid Re-housing Limit to 24 Months of Rental Assistance

- Requirement:** CoC Program funds may be used to provide short-term (up to 3 months) and/or medium-term (for 3 to 24 months) tenant-based rental assistance.
- Citation:** 24 CFR 578.37(a)(1)(ii), 24 CFR 578.37(a)(1)(ii)(C), and 24 CFR 578.51(a)(1)(i)
- Explanation:** The CoC Program regulation at 24 CFR 578.37(a)(1)(ii) and 24 CFR 578.51(a)(1)(i) defines medium-term rental assistance as 3 to 24 months and 578.37(a)(1)(ii) and 24 CFR 578.37(a)(1)(ii)(C) limits rental assistance in rapid re-housing projects to medium-term rental assistance, or no more than 24 months.
- Justification:** Waiving the limit on using rental assistance in rapid re-housing projects to pay more than 24 months will ensure that individuals and families currently receiving rapid re-housing assistance do not lose their assistance, and consequently their housing, during the COVID-19 public health

crisis and the subsequent economic downturn. This will reduce the spread and harm of COVID-19 by enabling affected program participants to continue to socially isolate in their housing.

Applicability: The 24-month rental assistance restriction is waived for program participants in a permanent housing rapid re-housing project who will have reached 24 months of rental assistance beginning on the date of this memorandum until a state or local public health official has determined special measures are no longer necessary to prevent the spread of COVID-19. Program participants who have reached 24 months of rental assistance during this time and who will not be able to afford their rent without additional rental assistance will be eligible to receive rental assistance until 3 months after a state or local public health official has determined that special measures are no longer necessary to prevent the spread of COVID-19.

Limit to be Eligible for DedicatedPLUS Project When Coming from Transitional Housing Being Eliminated

Requirement: To be eligible for a DedicatedPLUS project an individual or family must meet the criteria of DedicatedPLUS in the Notice of Funding Availability under which the grant was awarded. One of the possible criteria is residing in transitional housing *that will be eliminated* and meeting the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project.

Citation: Section III.C.3.f.(2) of the FY 2018 CoC Program Competition NOFA and Section III.C.2.g.(2) of the FY 2019 CoC Program Competition NOFA.

Explanation: Section III.C.3.f.(2) of the FY 2018 CoC Program Competition NOFA and Section III.C.2.g.(2) of the FY 2019 CoC Program Competition NOFA define a DedicatedPLUS project as a PSH project where 100 percent of the beds are dedicated to serve individuals and families residing in one of six places at intake, including residing in a transitional housing project that will be eliminated.

Justification: Waiving the requirement within the definition of DedicatedPLUS project that the transitional housing project is being eliminated will expand permanent housing options available for people moving out of transitional housing and will make more transitional housing beds available to others who need it. Expanding permanent housing options for persons in transitional housing will assist in preventing the spread of COVID-19 by allowing more people to move off the streets and into transitional housing.

Applicability: The definition of DedicatedPLUS project is waived for DedicatedPLUS projects funded in the FY 2018 and FY 2019 CoC Program Competitions to allow these projects to serve individuals and families residing in transitional housing, whether it is being eliminated or not, as long as the individual or family met the definition of chronically homeless upon entry to the TH.

Assistance Available at Time of Renewal

Requirement: With respect to renewing CoC Program awards, 24 CFR 578.33(c) requires that assistance for a renewal period will be up to 100 percent of the amount available for supportive services and HMIS costs in the final year of the prior funding period, up to 100 percent of the amount for leasing and operating in the final year of the prior funding period adjusted in proportion to changes in FMR for the geographic area, and for rental assistance up to 100 percent of the result

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of multiplying the number and unit size(s) in the grant agreement by the number of months in the grant agreement and the applicable FMR.

- Citation:** 24 CFR 578.33(c)
- Explanation:** 24 CFR 578.33(c) requires that budget line item amounts a recipient is awarded for renewal in the CoC Program Competition will be based on the amounts in the final year of the prior funding period for the project.
- Justification:** Waiving the requirement that the renewal grant amount is based on the budget line items in the final year of the grant being renewed will allow recipients to amend their budgets temporarily to address the needs of its program participants in responding to COVID-19 (e.g., providing different supportive services necessitated by the pandemic or serving fewer people because of the layout of the housing does not meet local social distancing recommendations) without changing the original design of the project when it is not operating in a public health crisis and can resume normal operations.
- Applicability:** The requirement that the renewal grant amount be based on the budget line items in the final year of the grant being renewed is waived for all projects that amend their grant agreement between March 31, 2020 and October 1, 2020 to move funds between budget line items in a project in response to the COVID-19 pandemic. Recipients may then apply in the next FY CoC Program Competition based on the budget line items in the grants before they were amended.
- Notification:** Recipients utilizing this waiver flexibility do not need to follow the notification process outlined in Attachment #1. Instead, HUD will consider any grant agreement amendment executed between March 31, 2020 and October 1, 2020 to move funds between budget line items in response to the COVID-19 pandemic as notification to HUD.

Permanent Housing-Rapid Re-housing Monthly Case Management

- Requirement:** Recipients must require program participants of permanent housing – rapid rehousing projects to meet with a case manager at least monthly.
- Citation:** 24 CFR 578.37(a)(1)(ii)(F)
- Explanation:** The CoC Program interim rule at 24 CFR 578.37(a)(1)(ii)(F) requires program participants to meet with a case manager not less than once per month to assist them in ensuring long-term housing stability. The project is exempt from this requirement already if the Violence Against Women Act of 1994 (42 U.S.C. 13925 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.
- Justification:** HUD originally waived this requirement for 2-months beginning March 31, 2020. Recipients are continuing to report limited staff capacity as staff members are home for a variety of reasons related to COVID-19 (e.g., quarantining, children home from school, working elsewhere in the community to manage the COVID-19 response). In addition, not all program participants have capacity to meet via phone or internet. Waiving the monthly case management requirement as specified below will allow recipients to provide case management on an as-needed basis and reduce the possible spread and harm of COVID-19.

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Applicability: This requirement in 24 CFR 578.37(a)(1)(ii)(F) that projects require program participants to meet with case managers not less than once per month is waived for all permanent housing- rapid re-housing projects for an additional three months beginning on the date of this memorandum.

[Availability of Waivers of Community Planning and Development \(CPD\) Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19](#)

[Availability of Additional Waivers for Community Planning and Development \(CPD\) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 \(May 22, 2020\)](#)

[HUD COVID-19 Resources and Fact Sheets](#)

ENVIRONMENTAL REVIEW PROCESS

Guidance on conducting environmental reviews pursuant to 24 CFR Part 58 for activities undertaken in response to the public health emergency as a result of COVID-19 Please note that this guidance is in addition to OEE's guidance on:

- [Guidance for RROF and AUGF Signature and Certification Process](#)
 - 7015.15 Request for Release of Funds (RROF) forms may be signed by the Certifying Officer via an e-signature.
 - RROFs may be submitted to HUD via email.
 - HUD may submit the 7015.16 Authority to Use Grants Funds via email, including an e-signature.
- [Consultation, Review, and Comment on the Environmental Review Record \(ERR\)](#)
 - Responsible Entities (REs) may provide a copy of the ERR via email or via the RE website during the public comment period
 - Objections to HUD's release of funds may be sent via email during the objection period
 - Communication regarding Section 106 reviews should be submitted via email
- [HUD Expedited Section 106 Review of Undertakings Responding to COVID-19 Emergency Declarations](#)
 - The Advisory Council on Historic Preservation approved an extended emergency period for expedited Section 106 review.
 - HUD-assisted COVID response projects can comply with Section 106 through a 7-day comment period instead of the usual 30-day consultation and concurrence process (through May 29, 2020).

HUD Expedited Section 106 Review of Undertakings Responding to COVID-19 Emergency Declarations
HUD-assisted COVID-19 related projects that are reviewed through May 29, 2020 can comply with Section 106 through a notification and seven-day comment period for State and Tribal Historic Preservation Officers (SHPOs and THPOs) instead of the usual 30-day consultation and concurrence process. The Advisory Council on Historic Preservation approved the extended emergency period and it may be further extended if necessary. The shortened emergency review process only applies to COVID-19 response projects. <https://files.hudexchange.info/resources/documents/HUD-Extension-Regarding-Section-106-Review-of-Undertakings-Responding-to-COVID-19-Emergency-and-Disaster-Declarations.pdf>

Guidance for RROF and AUGF Signature and Certification Process

During the National Emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak, HUD's Office of Environment and Energy (OEE) is temporarily allowing for flexibilities in the signature and certification process for the 7015.15 Request Release of Funds (RROF) and 7015.16 Authority to Use Grant Funds (AUGF) forms. RROF and AUGF forms submitted using the following guidelines will meet the legal obligations for environmental review purposes. <https://files.hudexchange.info/resources/documents/RROF-AUGF-Signature-Certification-Process-COVID-19.pdf>

Consultation, Review, and Comment on the Environmental Review Record

Due to COVID-19, HUD's Office of Environment and Energy (OEE) is expanding the options for public review of the Environmental Review Record (ERR). This resource provides guidance on how to accept public comments and submit objections as well as information on Section 106 consultation. <https://files.hudexchange.info/resources/documents/Consultation-Review-Comment-on-Environmental-Review-Record-COVID-19.pdf>

Grantee SF-424's and Certification(s)

Emergency Solutions Grant (ESG)

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	*2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	*If Revision, select appropriate letter(s): <input type="text"/> *Other (Specify): <input type="text"/>
*3. Date Received: 06/26/22	4. Applicant Identifier: 36-6005870	
5a. Federal Entity Identifier: 11172238 Ewanston	5b. Federal Award Identifier: 6229C170012	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Applicant Identifier: <input type="text"/>	
8. APPLICANT INFORMATION:		
*a. Legal Name: City of Ewanston		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 36-6005870	*c. UFI: XK7DXPW3P8H1	
d. Address:		
* Street: 2100 Ridge Avenue	<input type="text"/>	
* Street 2: <input type="text"/>	<input type="text"/>	
* City: Ewanston	<input type="text"/>	
* County/Parish: <input type="text"/>	<input type="text"/>	
* State: IL: Illinois	<input type="text"/>	
* Province: <input type="text"/>	<input type="text"/>	
* Country: USA: UNITED STATES	<input type="text"/>	
* Zip / Postal Code: 60101-2918	<input type="text"/>	
e. Organizational Unit:		
* Department Name: Community Development	* Division Name: Housing and Grants	
f. Name and contact information of person to be contacted on matters involving this application:		
* First Name: Brett	<input type="text"/>	
* Middle Name: <input type="text"/>	<input type="text"/>	
* Last Name: Flax	<input type="text"/>	
* Suffix: <input type="text"/>	<input type="text"/>	
* Title: Housing and Grants Manager		
* Organizational Affiliation: <input type="text"/>		
* Telephone Number: 947-448-6564	* Fax Number: <input type="text"/>	
* Email: sflax@cityofewanston.org		

Emergency Solutions Grant (ESG)

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type:		
C: City or Township Government		
Type of Applicant 2: Select Applicant Type:		
Type of Applicant 3: Select Applicant Type:		
* Other (specify):		
* 10. Name of Federal Agency:		
Department of Housing and Urban Development		
11. Catalog of Federal Domestic Assistance Number:		
14.211		
CFDA Title:		
Emergency Solutions Grant Program		
* 12. Funding Opportunity Number:		
E22HC170012		
* Title:		
Emergency Solutions Grant Program		
13. Competition Identification Number:		
Title:		
14. Areas Affected by Project (Cities, Counties, States, etc.):		
	Add Attachment	Delete Attachment
* 15. Descriptive Title of Applicant's Project:		
City of Everett 2022 ESG Program		
Attach supporting documents as specified in agency instructions.		
Add Attachments	Delete Attachment	View Attachments

Emergency Solutions Grant (ESG)

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: IL-9th	* b. Program/Project: IL-5th
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: 03/28/2022	* b. End Date: 12/31/2024
18. Estimated Funding (\$):	
* a. Federal	153,945.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	153,945.00
* 18. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach:	
<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1091)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: Mr.	* First Name: Kelley
Middle Name:	
* Last Name: Sanduszki	
Suffix:	
* Title: Incheon City Manager	
* Telephone Number: 847-443-8009	Fax Number:
* Email: ksanduszki@cityofincheon.org	
* Signature of Authorized Representative: 	* Date Signed: 7/11/22

Community Development Block Grant (CDBG)

OMB Number: 4040-3304
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
<p>* 1. Type of Submission:</p> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
<p>* 2. Type of Application:</p> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
<p>* If Revision, select appropriate category: <input type="text"/> * Other (Specify): <input type="text"/></p>		
<p>* 3. Date Received: 06/23/22</p>		<p>4. Applicant Identifier: 05-5003870</p>
<p>5a. Federal Entity Identifier: IL172238 Evanston</p>		<p>5b. Federal Award Identifier: 012MC170012</p>
<p>State Use Only:</p>		
<p>6. Date Received by State: <input type="text"/></p>		<p>7. State Application Identifier: <input type="text"/></p>
<p>B. APPLICANT INFORMATION:</p>		
<p>* a. Legal Name: City of Evanston</p>		
<p>* b. Employer/Taxpayer Identification Number (EIN/TIN): 36-6005810</p>		<p>* c. UEI: XK7UHE288P5H1</p>
<p>d. Address:</p>		
<p>* Street: 2100 Ridgely Avenue</p>		
<p>Street 2: <input type="text"/></p>		
<p>* City: Evanston</p>		
<p>County/Parish: <input type="text"/></p>		
<p>* State: IL: Illinois</p>		
<p>Province: <input type="text"/></p>		
<p>* Country: USA: UNITED STATES</p>		
<p>* Zip / Postal Code: 60201-2715</p>		
<p>e. Organizational Unit:</p>		
<p>Department Name: Community Development</p>		<p>Division Name: Housing and Grants</p>
<p>f. Name and contact information of person to be contacted on matters involving this application:</p>		
<p>Prefix: <input type="text"/> * First Name: Sarah</p>		
<p>Middle Name: <input type="text"/></p>		
<p>* Last Name: Flax</p>		
<p>Suffix: <input type="text"/></p>		
<p>Title: Housing and Grants Manager</p>		
<p>Organizational Affiliation: <input type="text"/></p>		
<p>* Telephone Number: 847-448-8684</p>		<p>Fax Number: <input type="text"/></p>
<p>* Email: eflax@cityofevanston.org</p>		

Community Development Block Grant (CDBG)

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="City or Township Government"/></p> <p>Type of Applicant 2: Select Applicant Type <input type="text"/></p> <p>Type of Applicant 3: Select Applicant Type <input type="text"/></p> <p>* Other (specify): <input type="text"/></p>	
<p>* 10. Name of Federal Agency: <input type="text" value="Department of Housing and Urban Development"/></p>	
<p>11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14.218"/></p> <p>CFDA Title <input type="text" value="Community Development Block Grant/Entitlement Grant"/></p>	
<p>* 12. Funding Opportunity Number: <input type="text" value="B22HC170012"/></p> <p>* Title <input type="text" value="Community Development Block Grant"/></p>	
<p>13. Competition Identification Number: <input type="text"/></p> <p>Title: <input type="text"/></p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.): <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/></p>	
<p>* 15. Descriptive Title of Applicant's Project: <input type="text" value="City of Evanston 2022 Community Development Block Grant Program"/></p>	
<p>Attach supporting documents as specified in agency instructions. <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/></p>	

Community Development Block Grant (CDBG)

Application for Federal Assistance SF-424

16. Congressional District Of:

* a. Applicant: * b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date: * b. End Date:

18. Estimated Funding (\$):

* a. Federal	1,695,926.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	172,475.57
* g. TOTAL	1,868,401.57

19. Is Application Subject to Review By State Under Executive Order 12372 Process?

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

Yes No

If "Yes", provide explanation and attach

21. "By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internal link where you may obtain the list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Name: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative:  * Date Signed:

HOME Investment Partnership Program

OMB Number: 4549-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* 3. Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: 06/26/22	* 4. Applicant Identifier: 35-6005870	
5a. Federal Entity Identifier: IL172238 Evanston	6b. Federal Award Identifier: 2022HC1702LB	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
6. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="City of Evanston"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="36-005870"/>	* c. UEI: <input type="text" value="KXVUM3N:PS#1"/>	
d. Address:		
* Street 1: <input type="text" value="2100 Ridge Avenue"/>	<input type="text"/>	
Street 2: <input type="text"/>	<input type="text"/>	
* City: <input type="text" value="Evanston"/>	<input type="text"/>	
County/Parish: <input type="text"/>	<input type="text"/>	
* State: <input type="text" value="IL: Illinois"/>	<input type="text"/>	
Province: <input type="text"/>	<input type="text"/>	
* Country: <input type="text" value="USA: United States"/>	<input type="text"/>	
* Zip / Postal Code: <input type="text" value="60201-2715"/>	<input type="text"/>	
e. Organizational Unit:		
Department Name: <input type="text" value="Community Development"/>	Division Name: <input type="text" value="Housing and Grants"/>	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text"/>	* First Name: <input type="text" value="Gereh"/>	
Middle Name: <input type="text"/>	<input type="text"/>	
* Last Name: <input type="text" value="Flax"/>	<input type="text"/>	
Suffix: <input type="text"/>	<input type="text"/>	
Title: <input type="text" value="Housing and Grants Manager"/>	<input type="text"/>	
Organizational Address: <input type="text"/>		
* Telephone Number: <input type="text" value="847-443-3364"/>	Fax Number: <input type="text"/>	
* Email: <input type="text" value="sflax@cityofevanston.org"/>	<input type="text"/>	

HOME Investment Partnership Program

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <input type="text" value="City or Township Government"/>	
<p>Type of Applicant 2: Select Applicant Type</p> <input type="text"/>	
<p>Type of Applicant 3: Select Applicant Type</p> <input type="text"/>	
<p>* Other (specify):</p> <input type="text"/>	
<p>* 10. Name of Federal Agency:</p> <input type="text" value="Department of Housing and Urban Development"/>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <input type="text" value="14.225"/>	
<p>CFDA Title</p> <input type="text" value="HOME Program"/>	
<p>* 12. Funding Opportunity Number:</p> <input type="text" value="H22HC170218"/>	
<p>Title</p> <input type="text" value="HOME Investment Partnership Program"/>	
<p>13. Competition Identification Number:</p> <input type="text"/>	
<p>Title</p> <input type="text"/>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <input type="text"/> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Add Attachment Delete Attachment New Attachment </div>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <input type="text" value="City of Boston 2022 HOME Investment Partnership Program"/>	
<p>Attach supporting documents as specified in agency instructions.</p> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Add Attachments Delete Attachments New Attachments </div>	

HOME Investment Partnership Program

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: IG-96h * b. Program/Project: 16-96h

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date: 01/01/2022 * b. End Date: 12/31/2027

18. Estimated Funding (\$):

* a. Federal	<u>186,724.00</u>
* b. Applicant	<u>0.00</u>
* c. State	<u>0.00</u>
* d. Local	<u>0.00</u>
* e. Other	<u>0.00</u>
* f. Program Income	<u>35,395.41</u>
* g. TOTAL	<u>222,119.41</u>

19. Is Application Subject to Review By State Under Executive Order 12372 Process?

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

Yes No

If "Yes", provide explanation and attach

21. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain the list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr. * First Name: Kullay

Middle Name:

* Last Name: Gandzinski

Suffix:

* Title: Interim City Manager

* Telephone Number: 847-448-0003 Fax Number:

* Email: kgandzinski@cityofevanston.org

* Signature of Authorized Representative:  * Date Signed: 7/11/22

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

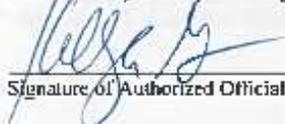
Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.


Signature of Authorized Official

7/11/22
Date

Ingram City Manager
Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation – It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan – Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan – It is following a current consolidated plan that has been approved by HUD.

Use of Funds – It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. **Overall Benefit.** The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2022 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It has adopted and is enforcing:

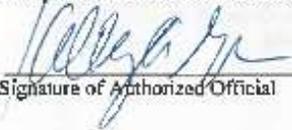
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws – The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint – Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws – It will comply with applicable laws.


Signature of Authorized Official

7/11/22
Date

Ink's City Manager
Title

OPTIONAL Community Development Block Grant Certification

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Signature of Authorized Official

Date

Title

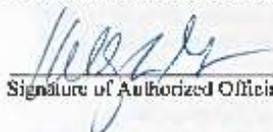
Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance – If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

Eligible Activities and Costs – It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §§92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

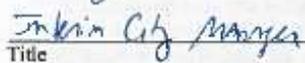
Subsidy layering – Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;



Signature of Authorized Official

7/11/22

Date



Title

Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

Major rehabilitation/conversion/renovation – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation.

If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion.

In all other cases where ESG funds are used for renovation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the recipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the recipient serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The recipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals.

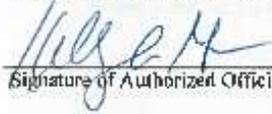
Matching Funds – The recipient will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The recipient has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the recipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the recipient undertakes with assistance under ESG are consistent with its consolidated plan.

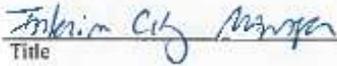
Discharge Policy – The recipient will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.



Signature of Authorized Official



Date



Title

Housing Opportunities for Persons With AIDS Certifications

The HOPWA grantee certifies that:

Activities – Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building – Any building or structure assisted under that program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For a period of not less than 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature of Authorized Official

Date

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance, and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§472B-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1689, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicap; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-618), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§260 ad-3 and 260 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made, and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Prescribed by OMB Circular A-102

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. § 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-353) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11980; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 108 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470); EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1998 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	Incumbent City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Evanston	01/14/2022

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ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award, and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt or approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§472B-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1885-1886), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1976, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Control and Treatment Act of 1972 (P.L. 92-266), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-648) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955 as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.)
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cease to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 108(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Inhabit City Manager
APPLICANT ORGANIZATION City of Evanston	DATE SUBMITTED 07/11/2022

Standard Form 424B (Rev. 7-97) Back